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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)

THE SUPPLEMENTAL LOAN AGREEMENT AND THE SHARE CHARGE AND THE CAPITALISATION AGREEMENT

THE SUPPLEMENTAL LOAN AGREEMENT AND THE SHARE CHARGE

Reference is made to the announcement of the Company dated 7 June 2013 in relation to, among other matters, the Loan Agreement (as amended by two (2) letters of extension issued by the Lender and dated 30 May 2014 and 6 July 2015 respectively) dated 30 May 2013 and entered into between the Borrower, being a direct wholly-owned subsidiary of the Company and as borrower, and the Lender, as lender.

On 13 July 2015, the Borrower, being a direct wholly-owned subsidiary of the Company and as borrower, and the Lender, as lender, entered into the Supplemental Agreement to amend certain terms of the Loan Agreement.

On 13 July 2015, the Chargor, being a direct wholly-owned subsidiary of the Company and as charger, and the Lender, as chargee, executed the Share Charge, pursuant to which a share charge shall be created over the Charged Shares, being all the issued shares of Topasia Computer Limited, a company incorporated in Hong Kong with limited liability and a direct wholly-owned subsidiary of the Chargor, as a security for the performance of all obligations of the Borrower under the Loan Agreement and the Supplemental Agreement. Pursuant to the Share Charge, the parties thereto agreed that in the event of default by the Borrower of its obligations under the Loan Agreement and the Supplemental Agreement whereupon the Share Charge become enforceable, the Lender's sole recourse with respect to all of the obligations of the Borrower which are or may become due and owing to the Lender under or pursuant to the Loan Agreement, the Supplemental Agreement and/or all other obligations secured thereby shall be against the Charged Shares.

In the event of the Group's default of its obligations under the Loan Agreement and the Supplemental Agreement and upon the security constituted by the Share Charge become enforceable after the Lender has given to the Chargor a notice of its intention to dispose of the Charged Shares, the Lender shall be entitled to dispose of the Charged shares or any part thereof to any parties other than the Lender or its associates (as defined under the Listing Rules) by such method subject to compliance with all applicable laws, rules and regulations, upon such terms and for such consideration (whether payable or deliverable immediately or by installments) as the Lender may in its absolute discretion determine. If the proceeds from such disposition are insufficiently discharge the obligations of the Borrower under the Loan Agreement and the Supplemental Agreement in full, the Lender agreed to waive its right to cover any such shortfall from the Chargor and the Borrower in respect of such deficiency. The Lender irrevocably and unconditionally agreed and acknowledged that the Lender's sole recourse with respect to the obligations of the Borrower under the Loan Agreement and the Supplemental Agreement shall be against the Charged Shares.

THE CAPITALISATION AGREEMENT

On 13 July 2015, the Company, the Borrower and the Lender entered into the conditional Capitalisation Agreement, pursuant to which the Lender conditionally agreed to subscribe for and the Company conditionally agreed to allot and issue to the Lender 28,078,979 Capitalisation Shares at the Issue Price of HK\$0.145 per Capitalisation Share, totally HK\$4,071,452 which will be satisfied by setting off against the Outstanding Sum in the amount of HK\$4,071,452, being the unpaid interest accrued on the Loan up to and including the date of this announcement.

28,078,979 Capitalisation Shares represent approximately 0.17% of the existing issued share capital of the Company and approximately 0.16% of the issued share capital as enlarged by the allotment and issue of the Capitalisation Shares.

The Capitalisation Shares will be issued under the General Mandate and therefore the Subscription is not subject to any Shareholders' approval.

Completion is subject to the fulfilment of certain conditions precedent contained in the paragraph headed "Conditions precedent" in the section headed "the Capitalisation Agreement" below.

Shareholders and potential investors of the Company shall be aware that Completion is subject to fulfillment of the conditions precedent set out in the Capitalisation Agreement. As the Subscription may or may not proceed, Shareholders and potential investors of the Company are reminded to exercise caution when dealing in the Shares.

THE SUPPLEMENTAL LOAN AGREEMENT AND THE SHARE CHARGE

Background

Reference is made to the announcement of the Company dated 7 June 2013 in relation to, among other matters, the Loan Agreement dated 30 May 2013 and entered into between the Borrower, being a direct wholly-owned subsidiary of the Company and as borrower, and the Lender, as lender.

The principal terms of the Loan Agreement (as amended by two (2) letters of extension issued by the Lender and dated 30 May 2014 and 6 July 2015 respectively) are summarised as follows:-

Date: 30 May 2013

Parties: (i) the Borrower, as borrower; and
(ii) the Lender, as lender

As at the date of this announcement, to the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Lender and its ultimate beneficial owner(s) are Independent Third Parties

Principal Amount of the Loan: Up to HK\$32,000,000

Interest Rate: 6% per annum

Security: Nil

The Repayment Date: 30 June 2017, subject to the terms to be compromised on or before 13 July 2015

Purpose of the Loan: (i) the outstanding 8% per annum interest payable by the Company to Business Ally in respect of the interest payable by the Company under the terms of the Convertible Bonds from the issue date of the Convertible Bonds up till 31 May 2013 (or such later date as the Borrower and the Lender may agree);
(ii) professional fees payable by the Company to relevant professional parties; and
(iii) such other reasonable uses as the Borrower deems appropriate

Repayment: The Company shall repay the Loan in full together with all outstanding and unpaid interest accrued on the Loan and all other monies payable regarding the Loan under the Loan Agreement in one lump sum on the Repayment Date

Prepayment: The Company may at any time prepay the whole or any part of the outstanding principal amount of the Loan, provided that the amount of any partial prepayment shall not be less than US\$100,000 or any integral multiples thereof, together with the accrued interest by giving not less than seven (7) Business Day's prior written notice to Lender before prepayment

As at the date of this announcement, the Borrower is indebted to the Lender an outstanding amount of HK\$36,071,452 comprising (i) HK\$32,000,000, being the principal amount of the Loan; and (ii) the Outstanding Sum in the amount of HK\$4,071,452, being the unpaid interest accrued on the Loan up to and including the date of this announcement.

The Supplemental Agreement

On 13 July 2015, the Borrower, being a direct wholly-owned subsidiary of the Company and as borrower, and the Lender, as lender, entered into the Supplemental Agreement to amend certain terms of the Loan Agreement.

The principal amendments contemplated under the Supplemental Agreement are set out as follows:-

- (i) the parties thereto agreed to amend the Repayment Date to 12 July 2017 or such later date as the parties thereto may agree; and
- (ii) the parties thereto agreed that the Borrower shall have no right to prepay the Loan.

Pursuant to the terms and conditions of the Supplemental Agreement, the Chargor and the Lender shall execute the Share Charge upon the entering into of the Supplemental Agreement.

In consideration of the entering into of the Supplemental Agreement by the Lender and subject to the maximum number of the Shares which may be issued upon exercise of all options which are granted under the share option scheme (the "**Scheme**") of the Company adopted by the Company on 28 May 2015 together with options which are granted under any other share option schemes for the time being of the Company shall not exceed such number of the Shares as equals 10 % of the issued share capital of the Company as at the date of

approval of the Scheme, the Borrower shall procure the Company to grant to the Lender 20,000,000 options (the “**Options**”) under the Scheme to subscribe for 20,000,000 Shares (the “**Option Shares**”) within thirty (30) days from the date of the Supplemental Agreement and attaching with it the right to subscribe for the Option Shares at a price to be determined by the board of directors of the Company at its absolute discretion but in any event will not be less than the highest: (i) the closing price of the Share as stated in the daily quotations sheet of the Stock Exchange on the date of grant, which must be a Business Day; (ii) the average closing price of the Share as stated in the daily quotations sheets of the Stock Exchange for the five Business Days immediately preceding the date of grant; and (iii) the nominal value of the Share on the date of grant, which Options are not transferable in whole or in part. 50% of the Options are exercisable in whole or in part by the Lender at any time during the period commencing from the date of grant to the tenth anniversary of the date of grant. The remaining balance of the Options are exercisable in whole or in part by the Lender at any time during the period commencing from the first anniversary of the date of grant to the tenth anniversary of the date of grant.

The terms and conditions of the Supplemental Agreement were arrived at after arm’s length negotiations between the Borrower and the Lender. The Board considers that the terms and conditions of the Supplemental Agreement are on normal commercial terms and is in the interests of the Company and the Shareholders as a whole.

The Share Charge

On 13 July 2015, the Chargor, being a direct wholly-owned subsidiary of the Company and as charger, and the Lender, as chargee, executed the Share Charge, pursuant to which a share charge shall be created over the Charged Shares, being all the issued shares of Topasia Computer Limited, a company incorporated in Hong Kong with limited liability and a direct wholly-owned subsidiary of the Chargor, as a security for the performance of all obligations of the Borrower under the Loan Agreement and the Supplemental Agreement. Pursuant to the Share Charge, the parties thereto agreed that in the event of default by the Borrower of its obligations under the Loan Agreement and the Supplemental Agreement whereupon the Share Charge become enforceable, the Lender’s sole recourse with respect to all of the obligations of the Borrower which are or may become due and owing to the Lender under or pursuant to the Loan Agreement, the Supplemental Agreement and/or all other obligations secured thereby shall be against the Charged Shares.

In the event of the Group’s default of its obligations under the Loan Agreement and the Supplemental Agreement and upon the security constituted by the Share Charge become enforceable after the Lender has given to the Chargor a notice of its intention to dispose of the Charged Shares, the Lender shall be entitled to dispose of the Charged shares or any part thereof to any parties other than the Lender or its associates (as defined under the Listing

Rules) by such method subject to compliance with all applicable laws, rules and regulations, upon such terms and for such consideration (whether payable or deliverable immediately or by installments) as the Lender may in its absolute discretion determine. If the proceeds from such disposition are insufficiently discharge the obligations of the Borrower under the Loan Agreement and the Supplemental Agreement in full, the Lender agreed to waive its right to cover any such shortfall from the Chargor and the Borrower in respect of such deficiency. The Lender irrevocably and unconditionally agreed and acknowledged that the Lender's sole recourse with respect to the obligations of the Borrower under the Loan Agreement and the Supplemental Agreement shall be against the Charged Shares.

The terms and conditions of the Share Charge were arrived at after arm's length negotiations between the Chargor and the Lender. The Board considers that the terms and conditions of the Share Charge are on normal commercial terms and is in the interests of the Company and the Shareholders as a whole.

THE CAPITALISATION AGREEMENT

Date: 13 July 2015

Parties:

- (i) the Company;
- (ii) the Lender; and
- (iii) the Borrower

As at the date of this announcement, to the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Lender and its ultimate beneficial owner(s) are Independent Third Parties.

As at the date of this announcement, the Borrower is indebted to the Lender an outstanding amount of HK\$36,071,452 comprising (i) HK\$32,000,000, being the principal amount of the Loan; and (ii) the Outstanding Sum in the amount of HK\$4,071,452, being the unpaid interest accrued on the Loan up to and including the date of this announcement.

Pursuant to the Capitalisation Agreements, the Lender conditionally agreed to subscribe for and the Company conditionally agreed to allot and issue to the Lender 28,078,979 Capitalisation Shares at the Issue Price of HK\$0.145 per Capitalisation Share, totally HK\$4,071,452 which will be satisfied by setting off against the Outstanding Sum in the amount of HK\$4,071,452 upon Completion.

The Capitalisation Shares will be allotted and issued as fully paid up and each ranking pari passu with each other and all Shares in issue in all respects on Completion.

28,078,979 Capitalisation Shares represent approximately 0.17% of the existing issued share capital of the Company and approximately 0.16% of the issued share capital as enlarged by the allotment and issue of the Capitalisation Shares.

The Capitalisation Shares will be issued under the General Mandate and therefore the Subscription is not subject to any Shareholders' approval.

Conditions precedent

Completion shall take place on the third Business Day (or such other date and time as may be agreed by the Company and the Lender in writing) from the date of the fulfillment of the following conditions:

- (i) the Listing Committee of the Stock Exchange granting, and not having withdrawn or revoked up to Completion, the listing of and permission to deal in the Capitalisation Shares on the Stock Exchange; and
- (ii) all necessary consents and approvals required to be obtained in respect of the Capitalisation Agreement and the transactions contemplated thereby, including but not limited to the Subscription, having been obtained.

The above conditions cannot be waived by the parties to the Capitalisation Agreement.

In the event that the above conditions are not fulfilled on or before 31 July 2015 (or such later date as the parties thereto may mutually agree), the rights and obligations of the parties under the Capitalisation Agreement shall lapse and be of no further effect, in which event the parties thereto shall be released from such obligations without any liability save as to any antecedent breach (if any) and provided that any right or remedies which shall have accrued shall not be prejudiced or affected.

Issue Price

The Issue Price of HK\$0.145 per Capitalisation Share represents:

- (i) a premium of approximately 10.7% over the closing price of HK\$0.131 per Share as quoted on the Stock Exchange on the Last Trading Day;

- (ii) a premium of approximately 16.9% over the average closing price per Share of approximately HK\$0.124 as quoted on the Stock Exchange for the last five consecutive trading days up to and including the Last Trading Day; and
- (iii) a premium of approximately 4.3% over the average closing price per Share of approximately HK\$0.139 as quoted on the Stock Exchange for the last ten consecutive trading days up to and including the Last Trading Day.

The aggregate nominal value of 28,078,979 Capitalisation Shares is HK\$280,789.79. Based on the Issue Price of HK\$0.145, the aggregate value of the 28,078,979 Capitalisation Shares is approximately HK\$4,071,452.

The Issue Price was determined with reference to the prevailing market prices of the Shares and was negotiated on an arm's length basis between the Company and the Lender. The Directors consider that the Issue Price is fair and reasonable and is in the interests of the Company and the Shareholders as a whole.

The net Issue Price, after deduction of relevant expenses (including but not limited to professional expenses and disbursements), is estimated to be approximately HK\$0.139 per Capitalisation Share.

Capitalisation Shares

As at the date of this announcement, the Company has 16,993,647,082 Shares in issue. Assuming that there will be no change in the number of issued Shares between the date of this announcement and the Completion, 28,078,979 Capitalisation Shares represent approximately 0.17% of the existing issued share capital of the Company as at the date of this announcement and approximately 0.16% of the issued share capital of the Company as enlarged by the allotment and issue of the Capitalisation Shares.

The Capitalisation Shares will be issued under the General Mandate and therefore the Subscription is not subject to any Shareholders' approval. As at the date of this announcement, none of the Shares has been issued under the General Mandate. The 28,078,979 Capitalisation Shares to be allotted and issued will utilise approximately 0.84% of the General Mandate.

The Company will apply to the Listing Committee of the Stock Exchange for the approval for the listing of, and permission to deal in, the Capitalisation Shares.

FUND RAISING DURING THE PAST TWELVE MONTHS

During the past twelve months immediately preceding the date of this announcement, the Company has conducted the following equity fund raising activity:

Date of announcement	Date of Completion	Event	Net proceeds	Intended use of proceeds	Actual use of proceeds
26 June 2015	Undergoing	Placing of 2,078,000,000 new Shares under the General Mandate at a placing price of HK\$0.145 per placing shares	Approx. HK\$298.1 million	General working capital (including settlement of interest expenses and reduction of debts) and/or for future investments of the Group	the placing has not been completed
9 April 2015	17 April 2015	Placing of 472,205,000 new shares under general mandate at a placing price of HK\$0.18 per placing share	Approx. HK\$83.7 million	General working capital (including settlement of interest expenses and reduction of debts)	Used as intended

REASONS FOR THE SUBSCRIPTION UNDER THE CAPITALISATION AGREEMENT

The Company is an investment holding company. The Group is principally engaged in (i) the distribution of information technology products; (ii) geological survey, exploration and development of coal; (iii) sales of coking coal; and (iv) coal trading.

The Directors believe that it is in the interest of the Company to convert the Outstanding Sum due from the Borrower to the Lender into the Capitalisation Shares. The Directors also consider that the Subscription will enlarge the capital base of the Company and will reduce the gearing level and cash outflow of the Group thereby strengthening the financial position of the Group.

Taking into consideration of the aforesaid, the Directors, including the independent non-executive Directors, consider that the terms and conditions of the Capitalisation Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

EFFECTS ON SHAREHOLDING STRUCTURE

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

	As at the date of this announcement		Immediately after the Completion	
	<i>No. of Shares</i>	<i>Approx. %</i>	<i>No. of Shares</i>	<i>Approx. %</i>
China OEPC Limited (<i>Note 1</i>)	4,554,492,662	26.80	4,554,492,662	26.76
Mr. Tse Michael Nam (<i>Note 2</i>)	1,531,642	0.01	1,531,642	0.01
Other Shareholders (<i>Note 3</i>)	152,409,023	0.90	152,409,023	0.90
Public Shareholders				
The Lender	0	0	28,078,979	0.16
Other public Shareholders	12,285,213,755	72.29	12,285,213,755	72.17
	<u>16,993,647,082</u>	<u>100.00</u>	<u>17,021,726,061</u>	<u>100.00</u>

Notes:

1. The Shares 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 1,996 Shares by Baofa Industrial Limited; 58,823,529 Shares by Mr. Guo Min (the beneficial owner of Baofa Industrial Limited); 19,638,498 Shares by New HongFa Industrial Limited; 42,745,000 Shares by Mr. Wu Daorong (the beneficial owner of Golden Year Holdings Limited); and 31,200,000 Shares by Hwa Foo Holdings Limited, all of which are shareholders or connected persons of City Bloom Limited.

DEFINITIONS

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

“Borrower”	North Asia Precious Metals Group Limited, a company incorporated in the British Virgin Islands and a direct wholly-owned subsidiary of the Company
“Business Ally”	Business Ally Investments Limited, holder of the Convertible Bonds
“Business Day”	a day (other than a Saturday, Sunday and public holiday) on which licensed banks in Hong Kong are generally open for business throughout their normal business hours
“Capitalisation Agreement”	the conditional capitalisation agreement dated 13 July 2015 and entered into among the Company, the Lender and the Borrower in relation to, among others, the Subscription
“Capitalisation Shares”	28,078,979 Shares to be allotted and issued to the Lender under the Capitalisation Agreement
“Charged Shares”	10,000 shares of Topasia, being all the issued shares of Topasia as at the date of this announcement
“Chargor”	Technology Venture Investments Limited, a company incorporated in the British Virgin Islands and a direct wholly-owned subsidiary of the Company
“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
“Completion”	completion of the Subscription in accordance with the terms and condition set out in the Capitalisation Agreement
“connected persons”	has the meanings as ascribed thereto under the Listing Rules

“Convertible Bonds”	the convertible bonds in the principal amount of US\$30,000,000 issued by the Company to Business Ally on 14 September 2010 (as amended from time to time) which have been converted into Shares as at the date of this announcement
“Directors”	the directors of the Company
“General Mandate”	the general mandate granted to the Directors by the Shareholders pursuant to a resolution passed at the annual general meeting of the Company held on 28 May 2015 to allot, issue and deal with up to 3,332,030,158 new Shares, representing approximately 20% of the then existing issued share capital of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	any person or company and their respective ultimate beneficial owners (if applicable) who, 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
“Issue Price”	the issue price of HK\$0.145 per Capitalisation Share
“Last Trading Day”	13 July 2015, being the last trading day for the Shares prior to this announcement
“Lender”	Get Best Management Ltd., a company incorporated in the British Virgin Islands
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

“Loan”	the loan in the aggregate principal amount of up to HK\$32,000,000 advanced by the Lender to the Borrower subject to and upon the terms and conditions of the Loan Agreement and the Supplemental Agreement
“Loan Agreement”	the loan agreement dated 30 May 2013 (as amended by two (2) letters of extension issued by the Lender and dated 30 May 2014 and 6 July 2015 respectively) and entered into between the Borrower and the Lender in relation to the Loan
“Outstanding Sum”	HK\$4,071,452, being the unpaid interest accrued on the Loan up to and including the date of this announcement
“Repayment Date”	the date on which the Borrower shall repay the Loan in full together with the outstanding and unpaid interest accrued on the Loan and all other monies payable regarding the Loan under the Loan Agreement and as amended by the Supplemental Agreement
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Share Charge”	the share charge dated 13 July 2015 and executed by the Chargor and the Lender, pursuant to which a share charge shall be created over the Charged Shares as a security for the performance of all obligations of the Borrower under the Loan Agreement and the Supplemental Agreement
“Shareholders”	holders of the issued Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription”	the subscription of the Capitalisation Shares by the Lender as contemplated under the Capitalisation Agreement, the consideration for which will be satisfied by setting off against the Outstanding Sum
“Supplemental Agreement”	the supplement agreement to the Loan Agreement dated 13 July 2015 and entered into between the Borrower and the Lender to amend certain terms of the Loan Agreement

“Topasia”	Topasia Computer Limited, being a company incorporated in Hong Kong with limited liability and a direct wholly-owned subsidiary of the Chargor, which in turns is a direct wholly-owned subsidiary of the Company
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“US\$”	United States dollars, the lawful currency of the United States of America
“%”	per cent.

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

Hong Kong, 13 July 2015

As at the date of this announcement, Mr. Zhang Sanhuo, Mr. Huang Boqi, 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.