
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in North Asia Resources Holdings Limited, you should at once hand this circular and the accompanying form of proxy to the purchaser or the transferee or to the bank, licensed securities dealer or registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.

This circular appears for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for the securities of the Company.



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 SPECIFIC MANDATE;
- (2) PROPOSED CAPITAL REORGANISATION AND
SHARE PREMIUM CANCELLATION;
- (3) PROPOSED CHANGE IN BOARD LOT SIZE;
- AND
- (4) NOTICE OF SPECIAL GENERAL MEETING

Placing Agent



A notice convening the SGM to be held at 10:30 a.m. on Monday, 15 February 2016 at Units 2001-2, 20th Floor, Li Po Chun Chambers, 189 Des Voeux Road Central, Hong Kong is set out on pages SGM-1 to SGM-4 of this circular. A form of proxy for use at the SGM is enclosed with this circular. Such form of proxy is also published on the website of the Stock Exchange at www.hkex.com.hk and the website of the Company at www.northasiaresources.com.

Whether or not you are able to attend the SGM, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and deposit the same at the Company's Hong Kong branch share registrar and transfer office, Tricor Tengis Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the SGM or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person at the SGM or any adjournment thereof (as the case may be) should you so wish.

31 December 2015

CONTENTS

	<i>Page</i>
Expected timetable	ii
Definitions	1
Letter from the Board.	6
Appendix – General information.	22
Notice of SGM.	SGM – 1

EXPECTED TIMETABLE

The expected timetable for the proposed Capital Reorganisation and the change in board lot size are set out below:

2016

Latest time for lodging the form of proxy for the SGM	10:30 a.m. on Saturday, 13 February
Holding of the SGM	10:30 a.m. on Monday, 15 February
Announcement of voting results of the SGM	Monday, 15 February
Effective date of the Capital Reorganisation	Tuesday, 16 February
Commencement of dealings in the New Shares	9:00 a.m. on Tuesday, 16 February
Original counter for trading in the Shares in board lots of 5,000 Shares (in the form of existing share certificates) temporarily closes	9:00 a.m. on Tuesday, 16 February
Temporary counter for trading in the New Shares in board lots of 500 New Shares (in the form of existing share certificates) opens	9:00 a.m. on Tuesday, 16 February
First day of free exchange of existing certificates for the Shares (in green colour) for new certificates for the New Shares (in blue colour)	Tuesday, 16 February
Effective date of change of board lot size from 5,000 Shares to 10,000 New Shares	Tuesday, 1 March

EXPECTED TIMETABLE

2016

Original counter for trading in the New Shares in board lots of 10,000 New Shares (in the form of new certificates for New Shares) re-opens	9:00 a.m. on Tuesday, 1 March
Parallel trading in the New Shares (in the form of new certificates for the New Shares and the existing certificates for the Shares) commences.	9:00 a.m. on Tuesday, 1 March
Designated broker starts to stand in the market to provide matching services for odd lots of the New Shares	9:00 a.m. on Tuesday, 1 March
Temporary counter for trading in the New Shares in board lots of 500 Shares (in the form of the existing certificates for the Shares) closes	4:00 p.m. on Monday, 21 March
Parallel trading in the New Shares (in the form of new certificates for the New Shares and the existing certificates for the Shares) ends	4:00 p.m. on Monday, 21 March
Designated broker ceases to stand in the market to provide matching services for odd lots of the New Shares	4:00 p.m. on Monday, 21 March
Last day for free exchange of the existing certificates for the Shares (in green colour) for new certificates for the New Shares (in blue colour).	4:30 p.m. on Wednesday, 23 March

Dates and deadlines stated in this circular for events in the expected timetable are indicative only and may be extended or varied. Any changes to the expected timetable will be announced as appropriate. All times and dates in this circular refer to Hong Kong local times and dates.

DEFINITIONS

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

“Announcement”	the announcement of the Company dated 3 December 2015 in relation to, among other things, the Placing under the Specific Mandate, the proposed Capital Reorganisation, the Share Premium Cancellation and the proposed change of board lot size
“Board”	the board of Directors
“Business Day”	a day (other than a Saturday, Sunday and public holiday) on which licensed banks in Hong Kong are open for business
“Bye-Laws”	the bye-laws of the Company from time to time
“Capital Reduction”	the proposed reduction in the issued share capital of the Company whereby the nominal value of each Consolidated Share will be reduced from HK\$0.10 to HK\$0.01 by cancelling HK\$0.09 of the paid-up capital on each Consolidated Share and elimination of any fraction of a Consolidated Share in the issued share capital of the Company arising from the Share Consolidation in order to round down the total number of Consolidated Shares to a whole number
“Capital Reorganisation”	the proposed reorganisation of the share capital of the Company involving (i) the Share Consolidation; (ii) the Capital Reduction; and (iii) the transfer of the amount of the credit arising from the Capital Reduction to the contributed surplus account of the Company, details of which are set out in the section headed “Proposed Capital Reorganisation and Share Premium Cancellation” in the letter from the Board contained in this circular
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC

DEFINITIONS

“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 Placing in accordance with the terms and conditions set out in the Placing Agreement
“connected person(s)”	has the meanings ascribed thereto under the Listing Rules
“Consolidated Share(s)”	issued share(s) of HK\$0.10 each of the Company immediately upon the Share Consolidation becoming effective
“Convertible Bonds”	the 2016 Convertible Bonds and the 2017 Convertible Bonds
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	any person(s) or company(ies) and its/their respective ultimate beneficial owner(s) (if applicable) who, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, are third party(ies) independent of and not connected with the Company and its connected persons
“Last Trading Day”	27 November 2015, being the last trading day for the Shares prior to the release of the Announcement
“Latest Practicable Date”	24 December 2015, being the latest practicable date prior to the printing of this circular for ascertaining certain information referred to in this circular

DEFINITIONS

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“New Share(s)”	share(s) of HK\$0.01 each in the share capital of the Company immediately upon the Capital Reorganisation becoming effective
“Placee(s)”	any person(s) or entity(ies) procured by the Placing Agent or its agent(s) to subscribe for any Placing Shares pursuant to the Placing Agreement
“Placing”	the placing of the Placing Shares on and subject to the terms and conditions set out in the Placing Agreement
“Placing Agent”	KCG Securities Asia Limited, a corporation licensed to carry on business in Type 1 (dealing in securities) and Type 4 (advising on securities) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Placing Agreement”	the conditional placing agreement dated 3 December 2015 (as amended and supplemented by a supplemental placing agreement dated 23 December 2015) entered into between the Company and the Placing Agent
“Placing Price”	HK\$0.01 per Share (if the Capital Reorganisation not having become effective on or before Completion) or HK\$0.10 per New Share (if the Capital Reorganisation having become effective before Completion) (exclusive of any brokerage, SFC transaction levy and Stock Exchange trading fee as may be payable)
“Placing Share(s)”	a total of up to 38,000,000,000 new Shares (if the Capital Reorganisation not having become effective on or before Completion) or up to 3,800,000,000 New Shares (if the Capital Reorganisation having become effective on or before Completion) to be placed pursuant to the Placing Agreement
“SFC”	the Securities and Futures Commission of Hong Kong

DEFINITIONS

“SGM”	the special general meeting of the Company to be convened and held to consider and, if appropriate, to approve the Placing, the Capital Reorganisation and the Share Premium Cancellation
“Share(s)”	ordinary share(s) of HK\$0.01 each in the existing issued share capital of the Company before the Capital Reorganisation becomes effective
“Share Consolidation”	the proposed consolidation of every ten Shares into one Consolidated Share
“Share Option(s)”	the share options granted under the share option scheme adopted by the Company and remaining outstanding as at the Latest Practicable Date
“Share Premium Cancellation”	the proposed cancellation of the entire amount standing to the credit of the share premium account of the Company as at 30 June 2015
“Shareholder(s)”	holder(s) of the issued Share(s) and/or the New Share(s), as the case may be
“Specific Mandate”	the specific mandate to be sought at the SGM to allot and issue the Placing Shares in accordance with the terms of the Placing Agreement
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“2016 Convertible Bonds”	the convertible bonds due 2016 in an aggregate principal amount of US\$23,000,000 (equivalent to approximately HK\$179,400,000) issued by the Company on 24 June 2013
“2016 Promissory Notes”	the promissory notes due 2016 in an aggregate principal amount of US\$30,000,000 (equivalent to approximately HK\$234,000,000) issued by the Company on 24 June 2013 and 3 July 2013 respectively

DEFINITIONS

“2017 Convertible Bonds”	the convertible bonds due 2017 in an aggregate principal amount of HK\$1,420,387,975.68 issued by the Company on 7 June 2013
“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.

Unless the context requires otherwise, amounts denominated in US\$ have been converted into HK\$ at an exchange rate of US\$1: HK\$7.8 for the purpose of illustration only. No representation is made that any amount in HK\$ or US\$ could have been or could be converted at the relevant dates at the above rate or at any other rates or at all.

LETTER FROM THE BOARD



NORTH ASIA RESOURCES HOLDINGS LIMITED **北亞資源控股有限公司**

(Incorporated in Bermuda with limited liability)

(Stock Code: 61)

Executive Directors:

Mr. Zhang Sanhuo (*Chairman*)

Mr. Huang Boqi (*Deputy Chairman &
Chief Executive Officer*)

Non-executive Director:

Mr. Zou Chengjian

Independent non-executive Directors:

Ms. Leung Yin Fai

Mr. Leung Po Wing, Bowen Joseph GBS, JP

Mr. Zhou Chunsheng

Registered office:

Clarendon House

2 Church Street

Hamilton HM 11

Bermuda

*Head office and principal place
of business in Hong Kong:*

Units 2001-2, 20th Floor

Li Po Chun Chambers

189 Des Voeux Road Central

Hong Kong

31 December 2015

*To the Shareholders and, for information only,
the holders of the Convertible Bonds and the Share Options*

Dear Sir or Madam,

**(1) PLACING OF NEW SHARES UNDER SPECIFIC MANDATE;
(2) PROPOSED CAPITAL REORGANISATION AND
SHARE PREMIUM CANCELLATION;
AND
(3) PROPOSED CHANGE IN BOARD LOT SIZE**

INTRODUCTION

Reference is made to the announcements of the Company dated 3 December 2015 and 23 December 2015 in relation to, among other things, the Placing under the Specific Mandate, the proposed Capital Reorganisation, the Share Premium Cancellation and the change in board lot size.

LETTER FROM THE BOARD

On 3 December 2015, the Company entered into the Placing Agreement (as amended and supplemented by a supplemental placing agreement dated 23 December 2015) with the Placing Agent pursuant to which the Placing Agent, as agent of the Company, agrees to procure on a best effort basis not less than six Placees, who will be Independent Third Parties, to subscribe for the Placing Shares, being up to 38,000,000,000 Shares at the Placing Price of HK\$0.01 per Placing Share if the Capital Reorganisation not having become effective on or before Completion (or 3,800,000,000 New Shares at HK\$0.10 per Placing Share if the Capital Reorganisation having become effective on or before Completion). The Placing Shares will be issued under the Specific Mandate and the Placing will be subject to the Shareholders' approval to be sought at the SGM.

The Board also announced that the Company proposes to effect the Capital Reorganisation which involves the Share Consolidation, the Capital Reduction and the transfer of the credit arising from the Capital Reduction to the contributed surplus account of the Company. The Board also intends to put forward a proposal in relation to the Share Premium Cancellation pursuant to which it is proposed that the entire amount standing to the credit of the share premium account of the Company as at 30 June 2015 be cancelled. The Capital Reorganisation and the Share Premium Cancellation are subject to, among other things, the approval of the Shareholders at the SGM.

The Board proposed to change the board lot size from 5,000 Share to 10,000 New Shares for trading on the Stock Exchange upon the Capital Reorganisation becoming effective.

The purpose of this circular is to provide you with, among other things, (i) information regarding the Placing; (ii) information regarding the Capital Reorganisation and the Share Premium Cancellation; (iii) information regarding the proposed change in board lot size; and (iv) a notice convening the SGM at which the Shareholders will consider and, if thought fit, approve the necessary resolutions in respect of the Placing, the Capital Reorganisation and the Share Premium Cancellation.

PLACING OF NEW SHARES UNDER SPECIFIC MANDATE

The Placing Agreement

1. Date

3 December 2015 (as amended and supplemented by a supplemental placing agreement dated 23 December 2015)

2. Issuer

The Company

LETTER FROM THE BOARD

3. *Placing Agent*

KCG Securities Asia Limited, an Independent Third Party.

Pursuant to the terms of the Placing Agreement, the Placing Agent will receive a placing commission equal to 1% of the Placing Price multiplied by the number of the Placing Shares actually placed by the Placing Agent. The placing commission was arrived at after arm's length negotiations between the Company and the Placing Agent.

4. *Placees*

The Placing Shares will be placed, on a best effort basis, to not less than six Placees who will be Independent Third Parties. It is expected that none of the Placees will become a substantial Shareholder immediately after Completion. If any of the Placees will become a substantial Shareholder immediately after Completion, further announcement will be made by the Company in compliance with the Listing Rules.

5. *Placing Shares*

Up to 38,000,000,000 Shares (if the Capital Reorganisation not having become effective on or before Completion), or 3,800,000,000 New Shares (if the Capital Reorganisation having become effective on or before Completion).

As at the Latest Practicable Date, the Company had 20,663,363,407 Shares in issue. Assuming that there will be no change in the number of issued Shares between the Latest Practicable Date and Completion and the Capital Reorganisation not becoming effective on or before Completion, the maximum number of 38,000,000,000 Placing Shares represent approximately 183.90% of the existing issued share capital of the Company as at the Latest Practicable Date and approximately 64.78% of the issued share capital of the Company as enlarged by the allotment and issue of the Placing Shares.

The Placing Shares will be issued under the Specific Mandate to be sought at the SGM.

The Placing Shares shall rank pari passu in all respects among themselves and with the Shares or New Shares (as the case may be) in issue on the date of allotment and issue of the Placing Shares.

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

LETTER FROM THE BOARD

6. *Placing Price*

The Placing Price is HK\$0.01 per Share (if the Capital Reorganisation not having become effective on or before Completion) or HK\$0.10 per New Share (if the Capital Reorganisation having become effective on or before Completion).

The Placing Price of HK\$0.01 per Share represents:

- (i) a discount of approximately 83.33% to the closing price of HK\$0.06 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a discount of approximately 82.99% to the average of the closing prices per Share as quoted on the Stock Exchange for the last five consecutive trading days up to and including the Last Trading Day of approximately HK\$0.0588;
- (iii) a discount of approximately 83.61% to the average of the closing prices per Share as quoted on the Stock Exchange for the last ten consecutive trading days up to and including the Last Trading Day of approximately HK\$0.061; and
- (iv) a discount of approximately 69.70% to the closing price of HK\$0.033 per Share as quoted on the Stock Exchange on the Latest Practicable Date.

If the Capital Reorganisation not having become effective on or before Completion, the maximum aggregate nominal value of the 38,000,000,000 Placing Shares is HK\$380,000,000. If the Capital Reorganisation having become effective on or before Completion, the maximum aggregate nominal value of the 3,800,000,000 Placing Shares is HK\$38,000,000.

The Placing Price was determined with reference to the prevailing market prices of the Shares, the latest financial position and the imminent funding needs of the Group and was negotiated on an arm's length basis between the Company and the Placing Agent.

In view of the latest global political and economical conditions and the volatility of the securities markets in Hong Kong and the People's Republic of China, investment sentiments have been adversely affected and investors are becoming more cautious when making investment decisions. The closing prices of the Shares during the past six months prior to the date of the Placing Agreement, as quoted on the Stock Exchange, have decreased substantially by approximately 66.10% from HK\$0.177 per Share on 3 June 2015 to HK\$0.06 per Share on the Last Trading Day. In light of the market atmosphere and the declining trend of the prevailing market price of the Shares during the past six months preceding the date of Placing Agreement, the Directors consider that a Pricing Price with deep discount to the prevailing market price of the Shares is required and is fair and reasonable to encourage investments in the Company by potential investors or placees having considered the size of fund to be raised by the Company, the cash flow position of the Group and its imminent funding needs. As disclosed in the interim report

LETTER FROM THE BOARD

of the Company for the six months ended 30 June 2015, the loss attributable to the owners of the Company for the period was approximately HK\$1,516 million and the net liabilities attributable to the owners of the Company as at 30 June 2015 was approximately HK\$1,965 million. The Directors consider the Placing Price is fair and reasonable having taken into account the continuing loss of the Group and the premium represented by the Placing Price over the net liabilities attributable to the owners of the Company of approximately HK\$0.0952 per Share based on 20,633,363,407 issued Shares as at the Last Trading Day. The gross proceeds from the Placing are expected to be received on or before the end of March 2016 (subject to Completion), which is shortly before the due date of the 2016 Convertible Bonds and the 2016 Promissory Notes and related interest expenses of the Group in June and July 2016 respectively. Accordingly, the Directors consider that the Placing Price is fair and reasonable and the Placing is in the interests of the Company and the Shareholders as a whole.

7. Conditions

The Placing is conditional upon the fulfilment of the following conditions:

- (i) the Listing Committee of the Stock Exchange granting the approval for the listing of, and the permission to deal in, the Placing Shares;
- (ii) the passing of necessary resolution(s) at the SGM to be held and convened by the Shareholders who are entitled to vote and not required to abstain from voting under the Listing Rules and other applicable laws and regulations to approve the Placing Agreement and the transactions contemplated thereunder; and
- (iii) all necessary consents and approvals to be obtained on the part of each of the Placing Agent and the Company in respect of the Placing Agreement and the transactions contemplated thereunder having been obtained.

In the event the above conditions are not fulfilled on or before 15 March 2016 (or such later date as may be agreed between the parties to the Placing Agreement in writing), all rights, obligations and liabilities of the parties to the Placing Agreement shall cease and terminate and neither of the parties thereto shall have any claim against the other save for any antecedent breach under the Placing Agreement prior to such termination. As at the Latest Practicable Date, none of the above conditions had been fulfilled.

For the avoidance of doubt, the Placing Agreement and the transactions contemplated thereunder shall not be conditional upon the Capital Reorganisation and the Share Premium Cancellation.

LETTER FROM THE BOARD

8. Completion

The Placing shall complete within five (5) Business Days after the day on which the conditions set out above are satisfied (or such later date as may be agreed between the parties to the Placing Agreement in writing).

9. Termination

The Placing Agent may terminate the Placing Agreement without any liability to the Company save for antecedent breach under the Placing Agreement prior to such termination, by notice in writing given to the Company at any time prior to 10:00 a.m. on the date of Completion upon the occurrence of the following events which, in the absolute opinion of the Placing Agent, has or may have an adverse effect on the business or financial conditions or prospects of the Company or the Group taken as a whole or the success of the Placing or the full placement of all of the Placing Shares or has otherwise made or may otherwise make it inappropriate, inadvisable or inexpedient to proceed with the Placing on the terms and in the manner contemplated in the Placing Agreement if 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 of the Placing Agreement) 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 change in, or which may result in a change in, political, economic, fiscal, financial, regulatory or stock market conditions and which in the Placing Agent's absolute opinion would adversely affect the success of the Placing; or
- (ii) the imposition of any moratorium, suspension (for more than seven (7) trading days) or restriction on trading in the securities generally on the Stock Exchange occurring due to exceptional financial circumstances or otherwise and which, in the Placing Agent's absolute opinion, would adversely affect the success of the Placing; or
- (iii) 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 Placing Agent's absolute opinion any such new law or change may adversely affect the business or financial prospects of the Group and/or the success of the Placing; or
- (iv) any litigation or claim being instigated against any member of the Group, which has or may have an adverse effect on the business or financial position of the Group and which in the Placing Agent's absolute opinion would adversely affect the success of the Placing; or

LETTER FROM THE BOARD

- (v) any material adverse change in the business or in the financial or trading position or prospects of the Group as a whole; or
- (vi) any breach of any of the representations and warranties set out in the Placing Agreement comes to the knowledge of the Placing Agent or any event occurs or any matter arises on or after the date of the Placing Agreement and prior to the date of Completion which if had occurred or arisen before the date of the Placing Agreement would have rendered any of such representations and warranties untrue or incorrect or there has been a breach by the Company of any other provision of the Placing Agreement; or
- (vii) there is any material change (whether or not forming part of a series of changes) in market conditions which in the absolute opinion of the Placing Agent would materially and prejudicially affect the Placing or makes it inadvisable or inexpedient for the Placing to proceed.

If notice is given pursuant to the above, the Placing Agreement shall terminate and be of no further effect and neither party shall be under any liability to the other party in respect of the Placing Agreement save for any antecedent breach under the Placing Agreement prior to such termination.

Fund raising activities during the past twelve months

During the past twelve months immediately preceding the Latest Practicable Date, the Company has conducted the following equity fund raising activities:

Date of announcement	Date of completion	Event	Net proceeds	Intended use of proceeds	Actual use of proceeds
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 Share	Approximately HK\$83.8 million	General working capital (including settlement of interest expenses and reduction of debts)	Used as intended
26 June 2015	16 July 2015	Placing of 1,762,300,000 new Shares under general mandate at a placing price of HK\$0.145 per Share	Approximately HK\$252.9 million	General working capital (including settlement of interest expenses and reduction of debts) and/or for future investments of the Group	Used as general working capital (including settlement of interest expenses and reduction of debts)
13 July 2015	22 July 2015	Capitalisation of the outstanding sum of HK\$4,071,452 owed to Get Best Management Ltd., an Independent Third Party, by the Group into 28,078,979 Shares at the capitalisation price of approximately HK\$0.145 per Share	N/A	N/A	N/A

LETTER FROM THE BOARD

Reasons for the Placing and use of proceeds

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 deposits (mining operation) and sales of coking coal; and (iii) the provision of coal trading and logistic services.

Based on the unaudited consolidated management accounts of the Group as at 30 September 2015, the cash and bank balances of the Group were approximately HK\$172 million. As at the Latest Practicable Date, the aggregate outstanding principal amount of the 2016 Convertible Bonds and the 2016 Promissory Notes was approximately HK\$341 million. Based on the aforesaid aggregate outstanding principal amount, the relevant interest expenses due on 23 June 2016 and 2 July 2016 were approximately HK\$33 million. In light of the imminent need for the Group to settle debts which will become due in June and July 2016, the Directors consider that it is necessary to raise additional capital and improve the cash flow position of the Group. The Group intends to source additional funding to strengthen and improve its cash flow position in the long run.

The Board has considered other fund raising alternatives such as debt financing, rights issue or open offer. However, the Board considers debt financing currently is not the most appropriate method to the Group as debt financing would increase the gearing level of the Group and the related interest expenses and finance costs would impose additional financial burden to the Group's future cash flows. As regards the viability of a right issue or an open offer, the Directors had approached several potential underwriters (including the substantial Shareholder of the Company) but none of them have interests in underwriting the new issue of Shares in light of the Group's financial position and the current market condition. The Board is of the view that it would be difficult to identify underwriter(s) who is/are interested to underwrite a sizeable right issue or an open offer of the Company in light of its latest financial position. The Board further considers that a right issue or an open offer would incur higher administrative cost including the engagement of professionals and the preparation of relevant documents as compared to the Placing. Furthermore, the Placing can be completed within a relatively shorter period of time subject to the Shareholders' approval as compared to that of a rights issue or an open offer. As such, the Board is of the view that the Placing would be the preferred fund raising method among various alternatives.

The gross proceeds from the Placing are approximately HK\$380,000,000. The net proceeds from the Placing, after deduction of the placing commission and other related expenses, are estimated to be approximately HK\$374,700,000, representing a net issue price of approximately HK\$0.0099 per Share if the Capital Reorganisation not having become effective on or before Completion (or approximately HK\$0.0986 per New Share assuming that the Capital Reorganisation having become effective on or before Completion). It is currently intended that the net proceeds from the Placing will be used to redeem the 2016 Convertible Bonds due to mature on 23 June 2016 and the 2016 Promissory Notes due to mature on 23 June 2016 and 2 July 2016 respectively and settle the related interest expenses of the Group, which amount to approximately HK\$374 million in aggregate.

LETTER FROM THE BOARD

Having considered the above, the Directors consider that the terms of the Placing Agreement are fair and reasonable based on the current market conditions and the latest financial position of the Group, and the Placing is in the interest of the Company and the Shareholders as a whole.

Effects on shareholding structure

Based on the maximum number of Placing Shares to be placed by the Placing Agent, the shareholding structures of the Company (i) as at the Latest Practicable Date; (ii) immediately after Completion (assuming the Capital Reorganisation not having become effective on or before Completion); and (iii) immediately after Completion (assuming the Capital Reorganisation having become effective on or before Completion) are as follows:

	As at the Latest Practicable Date		Immediately after Completion (assuming the Capital Reorganisation not having become effective on or before Completion)		Immediately after Completion (assuming the Capital Reorganisation having become effective on or before Completion)	
	<i>Number of Shares</i>	<i>Approx. %</i>	<i>Number of Shares</i>	<i>Approx. %</i>	<i>Number of New Shares</i>	<i>Approx. %</i>
<i>Shareholders</i>						
China OEPC Limited (Note 1)	4,554,492,662	22.04	4,554,492,662	7.76	455,449,266	7.76
Other Shareholders (Note 2)	152,409,023	0.74	152,409,023	0.26	15,240,902	0.26
<i>Public Shareholders</i>						
Placees	-	0.00	38,000,000,000	64.78	3,800,000,000	64.78
Other public Shareholders	15,956,461,722	77.22	15,956,461,722	27.20	1,595,646,172	27.20
	<u>20,663,363,407</u>	<u>100</u>	<u>58,663,363,407</u>	<u>100</u>	<u>5,866,336,340</u>	<u>100</u>

Notes:

- The Shares are beneficially owned by Best Growth Enterprises Limited, which is in turn beneficially owned by Mr. Zhang Sanhuo, the Chairman and an executive Director.
- 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; and 31,200,000 Shares by Hwa Foo Holdings Limited, all of which are shareholders or connected persons of City Bloom Limited. City Bloom Limited is owned indirectly as to 70% by Mr. Zhang Sanhuo and hence a connected person of the Company.

LETTER FROM THE BOARD

Upon Completion, the maximum dilution to the existing Shareholders is approximately 64.78%. The shareholding interests of China OEPC Limited will be diluted from approximately 22.04% to approximately 7.76% and the shareholding interests of the public Shareholders will be diluted from approximately 77.22% to approximately 27.20%. Notwithstanding that the Placing may have a substantial dilution effect to the existing Shareholders, the Directors believe that the dilution effect is justifiable taking into account the benefits arising from the Placing as set out in the paragraph headed “Reasons for the Placing and use of proceeds” above and that the net proceeds from the Placing could be applied to satisfy the forthcoming financing needs of the Group and improve the financial position of the Company.

PROPOSED CAPITAL REORGANISATION AND SHARE PREMIUM CANCELLATION

Capital Reorganisation

The Company proposes to effect the Capital Reorganisation which involves:

- (i) the Share Consolidation of every ten (10) issued Shares of HK\$0.01 each into one (1) Consolidated Share of HK\$0.10;
- (ii) the reduction of the issued share capital of the Company through (a) elimination of any fraction of a Consolidated Share in the issued share capital of the Company arising from the Share Consolidation in order to round down the total number of Consolidated Shares to a whole number; and (b) a cancellation of the paid-up capital of the Company to the extent of HK\$0.09 on each issued Consolidated Share so that the nominal value of each issued Consolidated Share will be reduced from HK\$0.10 to HK\$0.01; and
- (iii) the transfer of the credit arising from the Capital Reduction to the contributed surplus account of the Company and to apply the amount standing to the contributed surplus account to set off against the accumulated losses of the Company.

Share Premium Cancellation

The Board also intends to put forward a proposal in relation to the Share Premium Cancellation to the Shareholders for approval. Pursuant to the Share Premium Cancellation, it is proposed that the amount of HK\$7,427,390,000 standing to the credit of the share premium account of the Company as at 30 June 2015 be cancelled, with the credit arising therefrom being transferred to the contributed surplus account of the Company and to apply such amount to set off against the accumulated losses of the Company.

LETTER FROM THE BOARD

Effects of the Capital Reorganisation and Share Premium Cancellation

As at the Latest Practicable Date, the authorised share capital of the Company was HK\$800,000,000 divided into 80,000,000,000 Shares of HK\$0.01 each, and the issued share capital of the Company is HK\$206,633,634.07 divided into 20,663,363,407 Shares. Upon the Capital Reorganisation becoming effective and assuming no further Shares will be issued or repurchased between the Latest Practicable Date and the effective date of the Capital Reorganisation, the authorised share capital of the Company will remain at HK\$800,000,000 divided into 80,000,000,000 New Shares of HK\$0.01 each, while the issued share capital of the Company will become HK\$20,663,363.40 divided into 2,066,336,340 New Shares (or HK\$58,663,363.40 divided into 5,866,336,340 New Shares assuming 3,800,000,000 New Shares would be issued under the Placing assuming Completion takes place before the Capital Reorganisation having become effective).

Based on (i) the credit amount of approximately HK\$185,970,000 arising from the Capital Reduction (or HK\$527,970,000 assuming Completion takes place before the Capital Reorganisation having become effective); and (ii) the credit standing to the share premium account of the Company of HK\$7,427,390,000 based on the unaudited financial statements of the Company for the six months ended 30 June 2015, a total credit amount of approximately HK\$7,613,360,000 (or HK\$7,955,360,000 assuming Completion takes place before the Capital Reorganisation having become effective) will arise as a result of the Capital Reduction and the Share Premium Cancellation which will be credited to the contributed surplus account of the Company. The Company will then apply the amount standing to the contributed surplus account of the Company to set off against the accumulated losses of the Company (which amounted to approximately HK\$5,253,977,000 as at 30 June 2015) and the balance after such set off will remain standing to the credit of the contributed surplus account of the Company.

Fractional New Shares to which an individual Shareholder is entitled will not be issued to individual Shareholders but will be aggregated, sold if a premium (net of expenses) can be obtained, and retained for the benefit of the Company.

Other than the expenses incurred in relation to the Capital Reorganisation and the Share Premium Cancellation, the implementation thereof will not, in itself, alter the underlying assets, business operations, management or financial position of the Group or the proportionate interests or rights of the Shareholders, save that any fractional New Shares will not be allocated to individual Shareholders but will be aggregated, and sold if a premium (net of expenses) can be obtained, and such premium will be retained for the benefit of the Company. The Capital Reorganisation itself will not have any material adverse effect on the financial position of the Group.

LETTER FROM THE BOARD

Conditions precedent of the Capital Reorganisation and the Share Premium Cancellation

The Capital Reorganisation and the Share Premium Cancellation are conditional upon, where applicable:

- (a) the passing of the necessary special resolutions by the Shareholders at the SGM to approve the Capital Reorganisation and the Share Premium Cancellation;
- (b) the Stock Exchange granting the listing of, and permission to deal in, the New Shares arising from the Capital Reorganisation;
- (c) compliance with the relevant procedures and requirements under Bermuda law and the Listing Rules to effect the Capital Reorganisation and the Share Premium Cancellation; and
- (d) the obtaining of all necessary approvals from the regulated authorities or otherwise as may be required in respect of the Capital Reorganisation and Share Premium Cancellation.

Assuming all the conditions above are fulfilled, it is expected that the Capital Reorganisation and the Share Premium Cancellation will become effective on Tuesday, 16 February 2016, being the Business Day immediately following the date of passing of the special resolutions approving the Capital Reorganisation and the Share Premium Cancellation at the SGM. As at the Latest Practicable Date, none of the above conditions had been fulfilled.

An application will be made by the Company to the Stock Exchange for the granting of the listing of, and permission to deal in, the New Shares arising from the Capital Reorganisation. The New Shares will be identical in all respects and rank *pari passu* with each other in all respects, including the rights as to dividends, voting and return of capital.

Save for the listing of the Shares or the New Shares (as the case may be) on the Stock Exchange, no part of the securities of the Company is listed or dealt in on any other stock exchange and no such listing or permission to deal is being or is proposed to be sought.

CCASS eligibility

Subject to the granting of the listing of, and permission to deal in, the New Shares on the Stock Exchange, the New Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the New Shares on the Stock Exchange or such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS in the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

LETTER FROM THE BOARD

Free exchange of certificates for the New Shares and trading arrangements

Subject to the Capital Reorganisation becoming effective, the Shareholders may, during the period between Tuesday, 16 February 2016 and Wednesday, 23 March 2016, submit their existing certificates (in green colour) for the Shares held by them to the Company's branch share registrar and transfer office in Hong Kong, Tricor Tengis Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, in exchange for new certificates (in blue colour) for the New Shares at the expense of the Company. Thereafter, share certificates for the Shares will be accepted for exchange only on payment of a fee of HK\$2.50 (or such higher amount as may from time to time be specified by the Stock Exchange) for each certificate for the New Shares issued or each share certificate for the Shares submitted for cancellation, whichever number of certificates involved is the higher.

Certificates for the Shares will continue to be good evidence of legal title on the basis of every ten (10) issued Shares for one (1) New Share and may be exchanged for certificates of the New Shares at any time. Nevertheless, they will not be acceptable for trading, settlement and registration purpose after the Capital Reorganisation becomes effective except in a temporary counter after the commencement of dealings in the New Shares until parallel trading ends. Please refer to the expected timetable set out on pages ii and iii of this circular for the timetable regarding free exchange of share certificates, and dealings and parallel trading in the New Shares.

Reasons for the Capital Reorganisation and the Share Premium Cancellation

The Capital Reorganisation involves, among other things, the Share Consolidation and the Capital Reduction. The Share Consolidation will reduce the total number of Shares currently in issue and is expected to bring about a corresponding upward adjustment in the trading price of the New Shares on the Stock Exchange, which will reduce the overall transaction costs for dealing in the New Shares relative to the market value of each board lot.

Under the laws of Bermuda, a company may not issue shares at a discount to the nominal value of such shares. Accordingly, the Directors propose the Capital Reduction by which the nominal value of the Consolidated Shares will be reduced which allows greater flexibility in the pricing for any issue of New Shares in the future.

LETTER FROM THE BOARD

The Board also considers that the credit arising from the Capital Reduction and Share Premium Cancellation could be transferred to the contributed surplus account of the Company and applied to set off against the accumulated losses of the Company. The elimination of the Company's accumulated losses will allow greater flexibility for the Company to consider any declaration of dividends to the Shareholders if and when the Company's financial position allows and the Board considers appropriate in the future, although there is no guarantee that dividend will be declared or paid upon the Capital Reorganisation and the Share Premium Cancellation becoming effective or at any time in the future.

As such, the Directors consider that the Capital Reorganisation and the Share Premium Cancellation are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

PROPOSED CHANGE IN BOARD LOT SIZE

The Shares are currently trading in board lot size of 5,000 Shares. In order to increase the value of each board lot of the Shares so that the value of each board lot of the Shares will not be less than HK\$2,000, as well as to reduce transaction costs incurred by the Shareholders and investors of the Company, the Board proposes to change the board lot size of the New Shares for trading on the Stock Exchange to 10,000 New Shares upon the Capital Reorganisation becoming effective.

Odd lots arrangements and matching services

In order to alleviate the difficulties arising from the existence of odd lots of the New Shares as a result of the change in board lot size, the Company has appointed KCG Securities Asia Limited as a designated broker to arrange for the matching of the sales and purchases of odd lots of the New Shares on behalf of the Shareholders on a best-effort basis. Shareholders who wish to take advantage of this facility, either to dispose of their odd lots or to top up to board lots of 10,000 New Shares, should contact Mr. Lau Ka Chun of KCG Securities Asia Limited at Unit 2, 24th Floor, Worldwide House, 19 Des Voeux Road, Central, Hong Kong or at telephone number of (852) 2842 1836 during office hours for the period from Tuesday, 1 March 2016 to Monday, 21 March 2016 (both dates inclusive). Shareholders should note that successful matching of the sale and purchase of odd lots of the New Shares is not guaranteed. Any Shareholder who is in doubt about the odd lot arrangement is recommended to consult his/her/its own professional advisers.

Please refer to the expected timetable set out on pages ii to iii of this circular for the timetable regarding odd lot matching services.

LETTER FROM THE BOARD

ADJUSTMENT TO SHARE OPTIONS AND CONVERTIBLE BONDS

As at the Latest Practicable Date, the following securities issued by the Company are outstanding: (i) Share Options granted under the share option scheme adopted by the Company entitling the holders thereof to subscribe for a total of 807,000,000 Shares; (ii) the 2016 Convertible Bonds entitling the holders thereof to convert into 415,161,289 Shares at the prevailing conversion price of HK\$0.31 per Share; and (iii) the 2017 Convertible Bonds entitling the holders thereof to convert into 8,355,223,386 Shares at the prevailing conversion price of HK\$0.17 per Share. Save for the Share Options and the Convertible Bonds, the Company has no outstanding options, warrants or other securities convertible into existing Shares and/or New Shares.

Adjustments to the conversion prices of the outstanding Convertible Bonds and the exercise prices and numbers of Shares issuable under the outstanding Share Options may be required under the relevant terms of the instruments constituting the Convertible Bonds and the share option scheme of the Company respectively as a result of the Capital Reorganisation and/or the Placing. Further announcement in respect of the adjustments will be made by the Company as and when appropriate.

SGM

Each of the Placing, the Capital Reorganisation and the Share Premium Cancellation are subject to, among other things, the approval of the Shareholders by way of poll at the SGM. The SGM will be held at 10:30 a.m. on Monday, 15 February 2016 at Units 2001-2, 20th Floor, Li Po Chun Chambers, 189 Des Voeux Road Central, Hong Kong for the Shareholders to consider and, if thought fit, approve the necessary resolutions in respect of the Placing, the Capital Reorganisation and the Share Premium Cancellation.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, no Shareholders have a material interest in the Placing, the Capital Reorganisation and/or the Share Premium Cancellation and no Shareholders are required to abstain from voting at the SGM.

The notice of the SGM is set out on pages SGM-1 to SGM-4 of this circular. Whether or not you are able to attend the SGM, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and deposit the same at the Company's Hong Kong branch share registrar and transfer office, Tricor Tengis Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the SGM or the adjourned meeting (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person at the SGM or any adjournment thereof (as the case may be) should you so wish.

LETTER FROM THE BOARD

Shareholders and potential investors of the Company should be aware that Completion is subject to fulfillment of the conditions and the termination clauses set out in the Placing Agreement. As the Placing may or may not proceed, Shareholders and potential investors of the Company are reminded to exercise caution when dealing in the securities of the Company.

RECOMMENDATION

The Directors consider the Placing, the proposals for the Capital Reorganisation and the Share Premium Cancellation and the change of board lot size of the Shares are all in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of the resolutions to be proposed at the SGM to approve the Placing, the Capital Reorganisation and the Share Premium Cancellation.

FURTHER INFORMATION

Your attention is drawn to the information set out in the appendix to this circular.

Yours faithfully,
For and on behalf of the Board of
North Asia Resources Holdings Limited
Mr. Zhang Sanhuo
Chairman

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. MISCELLANEOUS

- (a) The registered office of the Company is located at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda.
- (b) The head office and principal place of business of the Company in Hong Kong is located at Units 2001-2, 20th Floor, Li Po Chun Chambers, 189 Des Voeux Road Central, Hong Kong.
- (c) The Company Secretary of the Company is Mr. Shek Wing Wa, who is an associate member of The Hong Kong Institute of Chartered Secretaries and The Institute of Chartered Secretaries and Administrators in the United Kingdom.
- (d) The Hong Kong branch share registrar and transfer office of the Company is Tricor Tengis Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong.
- (e) In the event of inconsistency, the English text of this circular and the accompanying form of proxy shall prevail over their respective Chinese version.

NOTICE OF SPECIAL GENERAL MEETING



NORTH ASIA RESOURCES HOLDINGS LIMITED 北亞資源控股有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 61)

NOTICE IS HEREBY GIVEN THAT a special general meeting (the “**SGM**”) of North Asia Resources Holdings Limited (the “**Company**”) will be held at 10:30 a.m. on Monday, 15 February 2016 at Units 2001-2, 20th Floor, Li Po Chun Chambers, 189 Des Voeux Road Central, Hong Kong for the purpose of considering and, if thought fit, passing with or without amendments, the following resolutions of the Company:

SPECIAL RESOLUTIONS

1. “**THAT** subject to and conditional upon, among others, the granting by The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) of the listing of, and permission to deal in, the New Shares (as defined below) arising from the Capital Reorganisation (as defined below), with effect from the business day immediately following the date on which this resolution is passed, the Capital Reorganisation (as defined below) be effected by way of:
 - (a) the consolidation of every ten (10) issued shares of par value of HK\$0.01 each in the share capital of the Company into one (1) share of par value of HK\$0.10 (the “**Consolidated Share(s)**”) (the “**Share Consolidation**”);
 - (b) a reduction (the “**Capital Reduction**”) of the issued share capital of the Company through (i) elimination of any fraction of a Consolidated Share in the issued share capital of the Company arising from the Share Consolidation in order to round down the total number of Consolidated Shares to a whole number; and (ii) cancellation of the paid-up capital of the Company to the extent of HK\$0.09 on each of the issued Consolidated Shares so that the nominal value of each issued Consolidated Share will be reduced from HK\$0.10 to HK\$0.01;

NOTICE OF SPECIAL GENERAL MEETING

- (c) the transfer of the credit arising from the Capital Reduction to the contributed surplus account of the Company;
 - (d) the utilisation of the contributed surplus account of the Company to offset the accumulated losses of the Company on or after the date the Capital Reorganisation becomes effective (the “**Accumulated Losses Offset**”) and the directors of the Company (the “**Director(s)**”) be authorised to apply the balance of the contributed surplus, if any, in such manner as they consider appropriate; and
 - (e) the Share Consolidation, the Capital Reduction and the Accumulated Losses Offset (collectively the “**Capital Reorganisation**”) be and are hereby approved and any one Director be and is hereby authorised to do all such acts and things and execute all documents as he considers necessary, desirable or expedient to give effect to the Capital Reorganisation and the transactions contemplated thereunder.”
2. “**THAT** an amount of HK\$7,427,390,000 standing to the credit of the share premium account of the Company as at 30 June 2015 be cancelled and transferred to the contributed surplus account of the Company with effect from the business day immediately following the date on which this resolution is passed and the Directors be authorised to apply all the credits standing to the contributed surplus account of the Company in such manner as they consider appropriate, including, without limitation, offsetting any accumulated losses of the Company.”

NOTICE OF SPECIAL GENERAL MEETING

ORDINARY RESOLUTION

3. “THAT

- (a) the conditional placing agreement dated 3 December 2015, as amended and supplemented by the supplemental placing agreement dated 23 December 2015 (together, the “**Placing Agreement**”) and entered into between the Company as issuer and KCG Securities Asia Limited as placing agent (the “**Placing Agent**”) in relation to the placing of up to 38,000,000,000 shares of HK\$0.01 each (if the Capital Reorganisation not having become effective on or before completion of the Placing Agreement (“**Completion**”)) (the “**Existing Shares**”) or up to 3,800,000,000 shares of HK\$0.01 each (if the Capital Reorganisation having become effective on or before Completion) (the “**New Shares**”) in the share capital of the Company in accordance with the terms and conditions of the Placing Agreement (a copy of which is produced to the SGM marked “A” and signed by the chairman of the SGM for the purpose of identification) at the placing price of HK\$0.01 per Existing Share or HK\$0.10 per New Share, as the case may be, and the transactions contemplated thereunder be and are hereby approved, confirmed and ratified;
- (b) conditional upon, among others, the Stock Exchange granting the listing of, and permission to deal in, the Existing Shares or the New Shares, as the case may be (the “**Placing Shares**”) to be allotted and issued under the Placing Agreement, the allotment and issue of the Placing Shares to the relevant placee(s) in accordance with the terms and conditions of the Placing Agreement be and are hereby approved and the board of Directors be and is hereby granted with a specific mandate to allot and issue the Placing Shares to the relevant placee(s); and
- (c) any one Director be and is hereby authorised to do all such things and acts as he may in his discretion consider necessary, expedient or desirable for the purpose of or in connection with the implementation of the Placing Agreement and the transactions contemplated thereunder, including but not limited to the execution of all such documents, whether or not under the seal of the Company, as he considers necessary or expedient in his opinion to implement and/or

NOTICE OF SPECIAL GENERAL MEETING

give effect to the issue and allotment of the Placing Shares and to agree with such variation, amendment or waiver to the Placing Agreement in such manner as such Director, in his opinion to be in the interests of the Company and its shareholders as a whole, considers appropriate.”

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

Hong Kong, 31 December 2015

Registered office:

Clarendon House
2 Church Street
Hamilton HM11
Bermuda

*Head office and principal place
of business in Hong Kong:*

Units 2001-2, 20th Floor
Li Po Chun Chambers
189 Des Voeux Road Central
Hong Kong

Notes:

1. A member entitled to attend and vote at the SGM convened by the above notice is entitled to appoint one or more proxy to attend and, subject to the provisions of the bye-laws of the Company, to vote on his behalf. A proxy needs not be a member of the Company but must be present in person at the SGM to represent the member. If more than one proxy is so appointed, the appointment shall specify the number and class of shares in respect of which each such proxy is so appointed.
2. In order to be valid, the form of proxy, together with a power of attorney or other authority, if any, under which it is signed, or a certified copy of such power or authority must be deposited at the Company's branch share registrar and transfer office in Hong Kong, Tricor Tengis Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, not less than 48 hours before the time appointed for holding the SGM or any adjournment thereof (as the case may be). Completion and return of a form of proxy will not preclude a member of the Company from attending in person and voting at the SGM or any adjournment thereof (as the case may be), should he so wish.
3. In the case of joint holders of shares, any one of such holders may vote at the SGM, either personally or by proxy, in respect of such shares as if he was solely entitled thereto, but if more than one of such joint holders are present at the SGM personally or by proxy, that one of the said persons so present whose name stands first on the register of members of the Company in respect of such shares shall alone be entitled to vote in respect thereof.