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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)

VOLUNTARY ANNOUNCEMENT

PROPOSED ACQUISITION

On 15 September 2017 (after trading hours), the Purchaser, an indirect wholly-owned subsidiary of the Company, entered into the Agreement with the Vendor, pursuant to which the Purchaser has conditionally agreed to acquire and the Vendor has conditionally agreed to dispose of the Sale Shares representing the entire issued share capital of the Target, a licensed corporation to carry out Type 4 and 9 regulated activities (advising on securities and asset management) under the SFO, at a consideration of HK\$6,000,000 (subject to the Adjustment).

As the relevant applicable percentage ratios calculated in accordance with the Listing Rules are less than 5%, the Acquisition does not constitute a notifiable transaction for the Company under Chapter 14 of the Listing Rules.

This announcement is made by the Company on a voluntary basis to provide update on the business and development of the Group to the Shareholders and potential investors.

On 15 September 2017 (after trading hours), the Purchaser, an indirect wholly-owned subsidiary of the Company, entered into the Agreement with the Vendor. Details of the Agreement are set out as follows:

THE AGREEMENT

Date: 15 September 2017 (after trading hours)

Parties: (1) Purchaser: North Asia Financial Investment Holdings Limited, an indirect wholly-owned subsidiary of the Company

(2) Vendor: Joy Pursuit Limited

The Target is principally engaged in Type 4 and Type 9 regulated activities (advising on securities and asset management) under the SFO. To the best of the knowledge, information and belief of the Directors after having made all reasonable enquiries, each of the Vendor and its ultimate beneficial owners is a third party independent of the Company and its connected persons and is not a party acting in concert with any of them.

Assets to be purchased

Pursuant to the Agreement, the Purchaser has conditionally agreed to purchase, and the Vendor has conditionally agreed to sell, the Sale Shares, representing the entire issued share capital of the Target.

As at the date of this announcement, the Vendor is the legal and beneficial owner of the entire issued share capital of the Target.

Consideration

The Consideration for the Sales Shares shall be HK\$6,000,000 (subject to the Adjustment). The Consideration has been paid/is payable by the Purchaser in the following manner:

- (a) a sum of HK\$900,000 representing a deposit (the “Deposit”) has been paid by the Purchaser to the Vendor upon the execution of the Agreement; and
- (b) a remaining balance of HK\$5,100,000 shall be paid by the Purchaser to the Vendor on the date of Completion.

The Purchaser shall also pay to the Vendor on the date of Completion a sum equivalent to the outstanding amount of Operating Costs due to the Vendor as at the date of Completion. The Directors consider the Consideration has been arrived at after arm’s length negotiations between the Purchaser and the Vendor. The Group intends to finance the Consideration by internal resources of the Group.

Conditions precedent

The Completion is conditional upon the fulfillment and/or waiver of certain conditions precedent, including but not limited to the written approval from the SFC of the Purchaser or the Purchaser’s ultimate substantial shareholder becoming the ultimate substantial shareholder of the Target as defined under the SFO and the written approval from the SFC of the change of the Target’s ultimate shareholders having been obtained.

The Vendor and the Purchaser shall use their respective best endeavours to procure the fulfilment and/or waiver of the conditions precedent on or before Long Stop Date or such other date as the parties may agree in writing.

In the event that the conditions precedent cannot be fulfilled and/or waived on or before Long Stop Date, the Agreement shall lapse and the Vendor shall return to the Purchaser the Deposit or forfeit the Deposit as liquidated damages pursuant to the terms of the Agreement.

REASONS FOR AND BENEFITS OF THE ACQUISITION

The Group is principally engaged in (i) the development of cassava cultivation and deep processing business for the related ecological cycle industry chain; (ii) coal exploration and development (mining operation), sales of coking coal and the provision of coal trading logistics services; and (iii) the provision of system integration services and software solutions.

The Directors consider the terms and conditions of the Agreement are on normal commercial terms and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

As “The Belt and Road” policy being launched, there are lots of preferential policies and capital resources for the nearby countries of “The Belt and Road”. The Board considers that the transaction as contemplated under the Agreement, if materialized, will enable the Company to have more resources to expand the business platform in Cambodia and other potential investment opportunities in turn to diversify its business into the asset management industry, maximize returns to the Shareholders and broaden revenue sources of the Group.

LISTING RULES IMPLICATIONS

As the relevant applicable percentage ratios calculated in accordance with the Listing Rules are less than 5%, the Acquisition does not constitute a notifiable transaction on the part of the Company under Chapter 14 of the Listing Rules.

Shareholders and potential investors shall note that completion of the Acquisition is subject to the fulfilment and/or waiver of the conditions precedent and may or may not materialize. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

DEFINITIONS

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

“Acquisition”	the proposed acquisition by the Purchaser of the Sale Shares from the Vendor subject to and upon the terms and conditions of the Agreement
“Adjustment”	an upward adjustment, being a sum equivalent to the amount of bank balance of the Target and the outstanding amount of accrued income to be received by the Target as at the date of Completion, which shall not exceed HK\$1,200,000
“Agreement”	the conditional sale and purchase agreement dated 15 September 2017 and entered into between the Purchaser and the Vendor in relation to the sale and purchase of the Sale Shares
“Board”	the board of directors of the Company
“Company”	North Asia Resources Holdings Limited, a company incorporated in Bermuda with limited liability and the Shares of which are listed on the Main Board of the Stock Exchange
“Completion”	completion of the sale and purchase of the Sale Shares in accordance with the terms of the Agreement
“Consideration”	the consideration of HK\$6,000,000 (subject to the Adjustment) for the acquisition of the Sale Shares
“Director(s)”	director(s) of the Company
“Group”	the Company together with its subsidiaries
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	14 March 2018, being six (6) months after the date of signing the Agreement (or such longer period as the parties to the Agreement may mutually agree in writing)
“Operating Costs”	the operating costs of the Target incurred from the date of the Agreement until the earlier of the date of Completion or the date of terminating the Agreement in the agreed sum of HK\$147,000 per month plus any additional operating costs referred to in the Agreement borne by the Purchaser
“Purchaser”	North Asia Financial Investment Holdings Limited, an indirect wholly-owned subsidiary of the Company incorporated in Hong Kong with limited liability
“Sale Shares”	536 shares in issue of the Target, being the entire issued share capital of the Target which are legally and beneficially owned by the Vendor
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.10 each in the issued share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target”	JCap Assets Management Limited, a licensed corporation to carry out Type 4 (advising on securities) and Type 9 (asset management) regulated activities under the SFO, the entire issued share capital of which is wholly and beneficially owned by the Vendor

“Vendor” Joy Pursuit Limited, a company incorporated in Samoa with limited liability

“%” per cent

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

Hong Kong, 15 September 2017

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.