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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)**

## **ADJUSTMENT OF CONVERSION PRICE OF US\$30 MILLION UNLISTED CONVERTIBLE BONDS**

### **ADJUSTMENT TO THE US\$30M CB CONVERSION PRICE**

Reference is made to the three announcements of the Company respectively dated 8 September 2010, 29 October 2010 and 3 January 2011 (the “**Announcements**”). Terms defined in the Announcements shall have the same meanings when used herein, unless the context requires otherwise.

As disclosed in the announcement dated 29 October 2010, the Company and the Subscriber entered into the Supplemental Agreement to US\$30M CB on 29 October 2010 to amend the adjustment mechanism to the US\$30M CB Conversion Price. In addition to the then existing adjustment mechanism under the terms and conditions of the US\$30M Convertible Bonds, the US\$30M CB Conversion Price will also be adjusted upon occurrence of the following event:–

*“If the Year-end-month Average Closing Price as quoted in the official daily quotation sheet of the Stock Exchange (or the equivalent) for all the Stock Exchange dealing days on which dealings in the Shares on the Stock Exchange took place during the Year-end-month in any calendar year plus a premium of 15% thereof is lower than the applicable US\$30M CB Conversion Price in force, the US\$30M CB Conversion Price shall be adjusted to become equivalent to such Year-end-month Average Closing Price plus a premium of 15% thereof (the **“Adjustment”**).”*

The amendment to the terms of the US\$30M Convertible Bonds related to the Adjustment constitutes an alteration which, under Rule 28.05 of the Listing Rules, requires the approval by the Stock Exchange and the Company will lodge an application for such approval with the Stock Exchange in due course.

Further, due to the Adjustment, and based on the Adjusted Conversion Price of HK\$1.30 per Conversion Share with effect from 3 January 2011, there will be in total 178,846,153 Conversion Shares to be issued upon full exercise of the conversion rights attaching to the US\$30M Convertible Bonds. Therefore, the total number of Conversion Shares to be issued under the US\$30M Convertible Bonds has exceeded the general mandate granted by the Shareholders in the annual general meeting of the Company held on 31 May 2010 (**“General Mandate”**).

Due to the aforesaid alteration in the terms of the US\$30M Convertible Bonds and the fact that the number of Conversion Shares to be issued under the US\$30M Convertible Bonds has exceeded the General Mandate, the listing approval granted by the Stock Exchange on 13 September 2010 for the listing of, and permission to deal in, the US\$30M CB Conversion Shares has ceased to be in effect, and the Company will apply for a fresh approval in due course.

As at the date of this announcement, no US\$30M CB Conversion Share has been issued pursuant to the US\$30M Convertible Bonds.

In such circumstances, the Company will convene a special general meeting (the **“SGM”**) as soon as possible for (i) approving and ratifying the alteration to the terms of the US\$30M Convertible Bonds related to the Adjustment; and (ii) seeking a specific mandate from the Shareholders for issuing all the US\$30M CB Conversion Shares (i.e. 178,846,153 Conversion Shares) which may be issued upon full exercise of the conversion rights attaching to the US\$30M Convertible Bonds. The specific mandate will be based on the Adjusted Conversion Price of HK\$1.30.

An application will be made by the Company to the Stock Exchange for (i) the approval of the alteration in the terms of the US\$30M Convertible Bonds related to the Adjustment; and (ii) a fresh approval for the listing of, and the permission to deal in, all the US\$30M CB Conversion Shares. The Company will issue a circular to its Shareholders for convening the SGM as soon as practicable.

By order of the Board  
**North Asia Resources Holdings Limited**  
**Tse Michael Nam**  
*Executive Director*

Hong Kong, 6 January 2011

*As at the date of this announcement, Mr. King Jun Chih, Joseph, Mr. Tse Michael Nam and Mr. Yang Xiaoqi are the executive Directors, Mr. Chan Kwan Hung and Mr. Wu Chi Chiu are the non-executive Directors and Mr. Lim Yew Kong, John, Mr. Mak Ping Leung and Mr. Leung Po Wing, Bowen Joseph, GBS, JP are the independent non-executive Directors.*