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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**

#### **IN RELATION TO**

#### **THE STRATEGIC COOPERATION IN A NEW BUSINESS**

The board (the “**Board**”) of directors (the “**Directors**”) of North Asia Resources Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) would like to inform the shareholders of the Company that the Group intends to commence the business of (i) cultivation of cassava; (ii) building/acquiring a processing plant to process the cassava into starch and other products; and (iii) marketing and sales of cassava starch (the “**New Business**”). The New Business in the initial stage will involve, among other things, sourcing of the cassava starch in Cambodia and appointing an agent to export the products to the overseas customers.

In connection with developing the New Business, Sky Rainbow Ventures Limited (“**Sky Rainbow**”, a direct wholly-owned subsidiary of the Company) and Dian Da Bio-energy Investment Co., Ltd. (“**Dian Da**”), on 25 November 2016, entered into (i) a co-operation agreement (the “**Co-operation Agreement**”) in relation to the cultivation of fresh cassava; and (ii) a purchase agreement (the “**Purchase Agreement**”, together with the Co-operation Agreement, the “**Agreements**”) in relation to the purchase of cassava starch from Dian Da. To the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, (i) Dian Da and its beneficial owners are third parties independent of the Company and its connected persons; and (ii) Dian Da has obtained the right to conduct cassava cultivation activities on a parcel of land with area of 200,000 mu in the Pursat Province, Cambodia (the “**Land**”) during the period from 4 December 2014 to 3 May 2018.

Pursuant to the Co-operation Agreement, Dian Da shall be responsible for the cultivation of fresh cassava on an area of 30,000 mu, as a module, within the Land. The fresh cassava shall meet the starch content required by Sky Rainbow. Dian Da is required to deliver the first batch of fresh cassava to Sky Rainbow before 1 July 2017 and complete the delivery of all batches before 30 September 2017. Sky Rainbow shall pay a fee for fresh cassava plantation to Dian Da by installments, which fee is determined with reference to the area of land to be cultivated, the actual quantity of fresh cassava to be delivered by Dian Da and the actual amount of cassava starch that can be processed from the fresh cassava delivered to Sky Rainbow. Sky Rainbow shall be entitled to engage Dian Da or any other parties to process the cassava starch. Sky Rainbow may, after the completion of cultivating the area of 30,000 mu, as a module, request Dian Da to extend the scope of co-operation to cover the entire area of 200,000 mu within the Land for further plantation. Pursuant to the Purchase Agreement, Dian Da shall sell the cassava starch which is processed from the fresh cassava already cultivated on the Land prior to the Co-operation Agreement to Sky Rainbow by 28 February 2017. The Directors expect that Dian Da will start to deliver the cassava starch under the Purchase Agreement in December 2016.

The Group is now establishing a team in Cambodia for the New Business to (i) monitor the cultivation of cassava, the production and processing of cassava starch; (ii) manage the Group's warehousing and logistics arrangements; (iii) handle marketing and sales of cassava starch; and (iv) research and develop the new varieties and new cultivation technique. The Directors are positive about the development of the New Business and believe the entering into of the Agreements would enable the Group to broaden its business scope and revenue base which is in the interests of the Company and its shareholders.

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

Hong Kong, 25 November 2016

*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 <sup>GBS, JP</sup> and Mr. Zhou Chunsheng are the independent non-executive Directors.*