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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)

STRATEGIC COOPERATION FRAMEWORK AGREEMENT

The board (“**Board**”) of directors (“**Directors**”) of North Asia Resources Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) is pleased to announce that on 10 April 2017, the Company and Henan Tianguan Enterprise Group Co., Ltd. (“**Henan Tianguan**”) entered into a strategic cooperation framework agreement (the “**Strategic Cooperation Framework Agreement**”), pursuant to which the Company and Henan Tianguan agreed to establish a strategic cooperation relationship.

DETAILS OF THE STRATEGIC COOPERATION FRAMEWORK AGREEMENT

Pursuant to the Strategic Cooperation Framework Agreement, the parties agreed that, among other things,

- (i) the Company shall cooperate with Henan Tianguan in planning to build a recycling industrial module park in Cambodia using tapiocas as raw materials for the production of 100,000 tons of ethanol biofuel and their by-products annually, such as methane, carbon dioxide, bio-solid organic fertilizers and bio-power generation (the “**Project**”). During the period of cooperation, Henan Tianguan shall be responsible for the overall technology (including the free use of patents), design, construction, post-operation and management of the Project, and for the exclusive sales of products after the Project commences operation. Both parties aim to complete the preparation work for the Project by the end of July 2017. The Project is scheduled to commence production and operation upon completion by the end of 2018;
- (ii) Henan Tianguan shall be responsible for the exclusive sales of 100,000 tons of ethanol biofuel at market price, and the final terms of the exclusive sales arrangement shall be subjected to the agreement to be separately entered into between the Company and Henan Tianguan. In addition, Henan Tianguan shall provide assistance to the financing and other fund-raising exercises carried out by the Company for the Project;
- (iii) the Company and Henan Tianguan agreed to establish a joint venture in Cambodia for carrying out the tapioca slices trading business. The principal business shall be to supply tapioca slices to Henan Tianguan and third parties. The joint venture shall be owned by the Company as to 51% and by Henan Tianguan as to 49%; and

- (iv) the Company shall fund and remodel the assets (the “**Assets**”) in a cassava chips factory built by Henan Tianguan. After the completion of the remodeling, Henan Tianguan shall own the rights to the Assets, and it shall allow the Company to use the Assets without any consideration for three years. The Company and Henan Tianguan shall enter into the agreement for the acquisition of the Assets by the Company from Henan Tianguan (the “**Acquisition**”) and the Acquisition shall be completed within three years after the completion of the remodeling.

REASONS FOR THE ENTERING INTO OF THE STRATEGIC COOPERATION FRAMEWORK AGREEMENT

Since Henan Tianguan is a leading global player in the domestic bioenergy industry with a history of 78 years and the largest domestic manufacturer of ethanol fuel, with an annual output of approximately 800,000 tons of ethanol, it needs to import a large number of tapioca slices annually from Southeast Asia as raw materials for the production of ethanol. With respect to industrial technology, it has built up over years numerous globally cutting-edge patents and proprietary technologies in the areas of ethanol fuel, biogas and power generation, as well as leading operational and management advantages. In particular, its integrated technology for the co-production of “ethanol, electricity, biogas and fertilizer” has gained a leading position in the domestic industry and achieved globally advanced standards.

Given the Company and Henan Tianguan have interests in common, the Board believes that the entering into of the Strategic Cooperation Framework Agreement would enable the Company to leverage on the expertise of Henan Tianguan, a domestic bioenergy producer, for the production, management and trading of ethanol biofuel and by-products of tapioca-based ethanol fuel as well as for other business cooperation in the recycling industry. The cooperation will substantially help the Group further expand its modular management and production of ethanol biofuel-related business, and will play a positive role in broadening the income stream and industrial transformation for the Group in the long run.

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

Hong Kong, 13 April 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.