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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)**

**ANNOUNCEMENT**

On 9 February 2011, the Company received the Letter from the Subscriber notifying the Company of the alleged breach of the Subscription Agreements and/or the Conditions of the Convertible Bonds.

References are made to the announcements (the “**Announcements**”) of the Company (together with its subsidiaries, the “**Group**”) dated 8 September 2010 and 29 October 2010 in relation to, among others, the issue of the 8.0% per annum coupon rate secured convertible bonds due 2013 in the aggregate amount of US\$30 million (the “**US\$30M Convertible Bonds**”) by the Company to Business Ally Investments Limited (the “**Subscriber**”) and the issue of convertible bonds in the aggregate amount of US\$10 million (the “**US\$10M Convertible Bonds**”, together with the US\$30M Convertible Bonds as the “**Convertible Bonds**”) by the Company to the Subscriber. Unless otherwise stated, capitalised terms used herein shall bear the same meanings as defined in the Announcements.

As one of the undertakings under the relevant subscription agreements (the “**Subscription Agreements**”) in respect of the issue of the Convertible Bonds, so long as the Subscriber holds any outstanding amount of the Convertible Bonds and prior to 31 December 2014, Mr. King Jun Chih Joseph (“**Mr. King**”) and Mr. Chan Kwan Hung (“**Mr. Chan**”) shall remain as executive Directors/Directors of the Company.

As disclosed in the announcement of the Company dated 27 January 2011, both Mr. King and Mr. Chan have resigned from the directorship of the Company with effect from 27 January 2011 (the “**Resignation**”). Thus, it was alleged by the Subscriber that the Resignation had constituted a breach of the Subscription Agreements and an event of default under the terms and conditions (the “**Conditions**”) of the Convertible Bonds, which would entitle the Subscriber to give notice to the Company that each of the Convertible Bonds is due and payable at its principal amount. In addition, it was further alleged by the Subscriber that the resignation of Mr. King had also constituted a change of control event as defined in the Conditions, which would entitle the Subscriber to require the Company to redeem all or some of the Convertible Bonds.

On 9 February 2011, the Company received a letter (the “Letter”) from the Subscriber notifying the Company of the aforesaid. However, as a gesture of goodwill and support to the Company, the Subscriber stated in the Letter that it may not exercise its right to give notice to the Company that each of the Convertible Bonds is due and payable at its principal amount or the right to require the Company to redeem all or some of the Convertible Bonds until 31 December 2011 (or a later time as the Subscriber and the Company will mutually agree) on the following conditions:

- (i) the Company shall notify the Subscriber immediately on each occasion after the Company has withdrawn US\$1,000,000 or more out of the bank account (the “Account”) where proceeds from the Convertible Bonds are credited; and
- (ii) the Company shall submit to the Subscriber a copy of the bi-weekly electronic bank statements in relation to the Account within 3 business days after the end of each of the aforesaid reporting period.

According to the Letter, the Company has to confirm in writing whether the Company is willing to accept the above conditions on or before 11 February 2011. The Subscriber also states in the Letter that the aforesaid offer to withhold enforcing its rights under the Subscription Agreements and/or the Conditions may be cancelled or revoked at any time at the discretion of the Subscriber.

The Directors will discuss the issue with care and will make the decision in view of the interests of the Company and the Shareholders as a whole. If necessary, the Group will utilize its internal resources and/or seek appropriate financing channels (such as through debt financing, equity issue or through a combination of these methods) which are considered to be most appropriate with reference to the then prevailing commercial conditions to repay and/or redeem the Convertible Bonds. Further announcement(s) will be made as and when appropriate.

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

Hong Kong, 9 February 2011

*As at the date of this announcement, Mr. Tse Michael Nam and Mr. Yang Xiaoqi are the executive Directors, Mr. Wu Chi Chiu is the non-executive Director 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.*