NORTH ASIA RESOURCES HOLDINGS LIMITED
北亞資源控股有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 61)

INTERIM RESULTS ANNOUNCEMENT
FOR THE SIX MONTHS ENDED 30 JUNE 2014

INTERIM RESULTS

The board (the "Board") of directors (the "Directors") of North Asia Resources Holdings Limited (the "Company") is pleased to announce the unaudited condensed consolidated interim financial information of the Company and its subsidiaries (collectively, the "Group") for the six months ended 30 June 2014 together with the comparative figures for the corresponding period in 2013. The condensed consolidated interim financial information has not been audited but has been reviewed by the Company's audit committee.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2014

	Notes	Six months ended 30 June **2014** *HK$'000* **(Unaudited)**	2013 *HK$'000* (Unaudited)
Turnover	*3*	**51,641**	40,335
Cost of sales and services rendered		**(36,125)**	(28,409)
Gross profit		**15,516**	11,926
Other operating income		**4,146**	417
Selling and distribution expenses		**(1,573)**	(1,495)
Administrative and operating expenses		**(108,384)**	(54,417)
Change in fair value of derivative component of convertible loan notes		**322,342**	37,190
Gain on amendment of terms of convertible loan notes		**–**	14,538
Loss on redemption of convertible loan notes		**–**	(91,812)
Loss on redemption of promissory notes		**–**	(29,491)
Impairment loss recognised in respect of mining rights		**(192,295)**	–
Impairment loss recognised in respect of property, plant and equipment		**(18,434)**	–
Gain on disposal of subsidiaries		**–**	93,294
Finance costs	*4*	**(232,761)**	(52,953)
Loss before taxation		**(211,443)**	(72,803)
Income tax credit (expenses)	*5*	**47,922**	(40)
Loss for the period	*6*	**(163,521)**	(72,843)
Attributable to:			
Owners of the Company		**(15,036)**	(65,133)
Non-controlling interests		**(148,485)**	(7,710)
		(163,521)	(72,843)
Loss per share			
Basic and diluted *(HK cents)*	*8*	**(0.48)**	(4.51)

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the six months ended 30 June 2014

	Six months ended 30 June	
	2014	2013
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Loss for the period	**(163,521)**	(72,843)
Other comprehensive income		
Items that may be subsequently reclassified to profit or loss:		
Exchange reserve realised on disposal of subsidiaries	**–**	204
Exchange differences on translation of foreign operations	**178,542**	117
Other comprehensive income for the period, net of tax	**178,542**	321
Total comprehensive income (expenses) for the period, net of tax	**15,021**	(72,522)
Total comprehensive income (expenses) for the period attributable to:		
Owners of the Company	**62,528**	(64,812)
Non-controlling interests	**(47,507)**	(7,710)
	15,021	(72,522)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2014

	Notes	**30 June 2014 HK$'000 (Unaudited)**	31 December 2013 HK$'000 (Audited)
Non-current assets			
Property, plant and equipment		**1,133,116**	1,006,409
Mining rights		**11,915,947**	11,772,162
Goodwill		**–**	–
Deposits paid for acquisition of property, plant and equipment		**64,993**	48,220
		13,114,056	12,826,791
Current assets			
Inventories		**2,459**	1,291
Trade, bills and other receivables	*9*	**132,207**	168,109
Amount due from a related company		**9**	9
Amount due from a director		**66**	63
Derivative component of convertible loan notes		**14,839**	16,678
Bank balances and cash		**29,923**	88,941
		179,503	275,091
Current liabilities			
Trade and other payables	*10*	**725,432**	710,131
Payables for mineral resources compensation fees		**–**	142,168
Amounts due to related companies		**418,832**	434,057
Amount due to a non-controlling interest holder		**408,889**	246,914
Other borrowings		**37,755**	37,755
Derivative component of convertible loan notes		**1,142,042**	1,485,672
Income tax liabilities		**6,644**	7,015
		2,739,594	3,063,712
Net current liabilities		**(2,560,091)**	(2,788,621)
Total assets less current liabilities		**10,553,965**	10,038,170

	30 June 2014 HK$'000 (Unaudited)	31 December 2013 HK$'000 (Audited)
Capital and reserves		
Share capital	**33,399**	28,970
Convertible preference shares	**19,887**	21,071
Reserves	**(3,148,420)**	(3,262,709)
Equity attributable to owners of the Company	**(3,095,134)**	(3,212,668)
Non-controlling interests	**4,853,397**	4,900,904
Total equity	**1,758,263**	1,688,236
Non-current liabilities		
Amount due to a non-controlling interest holder	**2,915,556**	2,598,765
Provision for restoration, rehabilitation and environmental costs	**65,974**	62,330
Promissory notes	**276,318**	275,416
Liabilities component of convertible loan notes	**2,781,366**	2,686,701
Deferred tax liability	**2,756,488**	2,726,722
	8,795,702	8,349,934
	10,553,965	10,038,170

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the six months ended 30 June 2014

1. GENERAL

The Company is incorporated in Bermuda as an exempted company with limited liability. The shares of the Company are listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

The principal activity of the Company is investment holding. During the period, the Group were principally involved in the distribution of information technology products, geological survey, exploration and development of coal deposits (mining operation) and sales of coking coal.

The condensed consolidated interim financial information has been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") and with Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

Basis of preparation of the condensed consolidated interim financial information

In preparing the condensed consolidated interim financial information, the directors of the Company have given consideration to the future liquidity of the Group.

As at 30 June 2014, the Group had net current liabilities of approximately HK$2,560,091,000. The condition indicates the existence of a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern and therefore it may be unable to realise its assets and discharge its liabilities in the normal course of business. Nevertheless, the directors of Company are of the opinion that the Group will have sufficient working capital to meet its financial obligations as and when they fall due for the next twelve months from 30 June 2014 as the directors had taken into consideration of the following facts and circumstances:

(i) as at 30 June 2014, included in the current liabilities of the Group was derivative components of convertible loan notes of approximately HK$1,142,042,000 which represented options to entitle the holders to convert the convertible loan notes into ordinary shares of the Company before the maturity dates of the convertible loan notes. Such derivative components of convertible loan notes shall not result in any cash outflow for the Group;

(ii) the related companies will not demand the settlement for the amounts due from the Group until it is in the financial position to do so;

(iii) 山西煤炭運銷集團有限公司 (Shanxi Coal Transportation and Sales Group Co., Ltd), a non-controlling interest holder of a subsidiary, 山西煤炭運銷集團能源投資開發有限公司 ("Shanxi Coal"), who had significant influence over Shanxi Coal, has granted an additional unutilised loan facility to Shanxi Coal amounted to approximately HK$1,380,226,000 based on a lending facility letter entered into between Shanxi Coal and Shanxi Coal Transportation and Sales Group Co., Ltd. in March 2014.

Accordingly, the directors of the Company are of the opinion that it is appropriate to prepare the condensed consolidated interim financial information on a going concern basis. If adequate finance is not available, the Group may be unable to meet its obligations as and when they fall due in the foreseeable future. Should the Group be unable to continue to operate as a going concern, adjustments would have to be made to write down the value of assets to their recoverable amounts, to provide for further liabilities which might arise and to reclassify non-current assets and non-current liabilities as current assets and current liabilities respectively. The effect of these adjustments has not been reflected in the condensed consolidated interim financial information.

2. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated interim financial information has been prepared on the historical cost basis, except for certain financial instruments, which are measured at fair values.

Except as described below, the accounting policies and methods of computation used in the condensed consolidated interim financial information for the six months ended 30 June 2014 are the same as those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2013.

In the current interim period, the Group has applied, for the first time, the following new or revised Hong Kong Financial Reporting Standards ("HKFRSs") issued by the HKICPA that are relevant for the preparation of the Group's condensed consolidated interim financial information:

Amendments to HKFRS 10, HKFRS 12 and HKFRS 27	Investment Entities
Amendments to HKAS 32	Offsetting Financial Assets and Financial Liabilities
Amendments to HKAS 36	Recoverable Amount Disclosure for Non-Financial Assets
Amendments to HKAS 39	Novation of Derivatives and Continuation of Hedge Accounting
Hong Kong (International Financial Reporting Interpretation Committee) – Interpretation 21	Levies

The application of the above new Interpretation and amendments to HKFRSs in the current interim period has had no material effect on the amounts reported in these condensed consolidated financial statements and/or disclosures set out in these condensed consolidated financial statements.

The Group has not early adopted new and revised HKFRSs, interpretations and amendments (hereinafter collectively referred to as "New HKFRSs") that have been issued but are not yet effective as at 30 June 2014. The directors of the Company anticipate that the adoption of the New HKFRSs will have no material impact on the condensed consolidated financial statements.

3. TURNOVER AND SEGMENT INFORMATION

The Group's operating segments based on information reported to the board of directors (being the chief operating decision maker ("CODM")) for the purposes of resources allocation and performance assessment are as follows:

Banking and finance systems integration services and software solutions	–	Provision of systems integration, software development, internet service, software solution engineering, maintenance and professional outsourcing services for the banking and finance, telecommunications and public sector clients
Mining operation	–	Geological survey, exploration and development of coal deposits (mining operation) and selling of coking coal
Coal operation	–	Provision of coal trading and logistics services

Segments revenues and results

The following is an analysis of the Group's revenues and results by reportable and operating segments.

	Banking and finance systems integration services and software solutions		Mining operation		Coal operation		Total	
	2014	2013	**2014**	2013	**2014**	2013	**2014**	2013
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)	**(Unaudited)**	(Unaudited)	**(Unaudited)**	(Unaudited)
For the six months ended 30 June								
TURNOVER								
Sales to external customers	**31,788**	16,297	**14,342**	9,537	**5,511**	14,501	**51,641**	40,335
RESULTS								
Segment loss	**(5,460)**	(3,475)	**(289,294)**	(14,182)	**(2,934)**	(2,245)	**(297,688)**	(19,902)
Unallocated income							**326,318**	130,637
Unallocated expenses							**(7,312)**	(130,585)
Finance costs							**(232,761)**	(52,953)
Loss before taxation							**(211,443)**	(72,803)

Segment loss represents the loss from each segment without allocation of central administrative expenses, directors' and chief executive's emoluments, change in fair value of derivative component of convertible loan notes, gain on amendment of terms of convertible loan notes, loss on redemption of convertible loan notes, loss on redemption of promissory notes, gain on disposal of subsidiaries, interest income and finance costs. This is the measure reported to CODM for the purposes of resources allocation and performance assessment.

Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by reportable and operating segments.

Segment assets

	30 June 2014 *HK$'000* **(Unaudited)**	31 December 2013 *HK$'000* (Audited)
Banking and finance systems integration services and software solutions	**33,855**	26,575
Mining operation	**13,206,364**	12,951,233
Coal operation	**5,730**	15,182
Total segment assets	**13,245,949**	12,992,990
Unallocated	**47,610**	108,892
Consolidated assets	**13,293,559**	13,101,882

Segment liabilities

	30 June 2014 *HK$'000* **(Unaudited)**	31 December 2013 *HK$'000* (Audited)
Banking and finance systems integration services and software solutions	**47,100**	33,827
Mining operation	**4,273,602**	3,919,769
Coal operation	**207,601**	232,205
Total segment liabilities	**4,528,303**	4,185,801
Unallocated	**7,006,993**	7,227,845
Consolidated liabilities	**11,535,296**	11,413,646

4. FINANCE COSTS

	Six months ended 30 June	
	2014	2013
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Interest expenses on borrowings wholly repayable within five years:		
– amount due to a non-controlling interest holder	**140,575**	12,505
Less: Amount capitalised in construction in progress	**(69,654)**	(290)
	70,921	12,215
– effective interest expense on convertible loan notes	**144,248**	37,834
– promissory notes	**14,940**	2,143
– other borrowings	**788**	523
	230,897	52,715
Imputed interest for provision for restoration, rehabilitation and environmental costs	**1,864**	238
	232,761	52,953

5. INCOME TAX

	Six months ended 30 June	
	2014	2013
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
People's Republic of China (the "PRC") Enterprises Income Tax		
– current	**152**	40
Deferred tax	**(48,074)**	–
	(47,922)	40

Pursuant to the rules and regulations of Bermuda and the British Virgin Islands ("BVI"), the Group is not subject to any income tax in Bermuda and the BVI.

No provision for Hong Kong Profits Tax have been made for subsidiaries established in Hong Kong as these subsidiaries did not have any assessable profits subject to Hong Kong Profits Tax during both periods under review.

Profits of subsidiaries established in the PRC is subject to PRC Enterprise Income Tax.

No provision for Mongolia Economic Entity Income Tax was made, as the Mongolian subsidiaries did not generate any assessable profits.

6. LOSS FOR THE PERIOD

Loss for the period has been arrived at after charging:

	Six months ended 30 June	
	2014	2013
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Costs of inventories sold	**25,791**	23,080
Depreciation of property, plant and equipment	**27,670**	10,220
Staff costs (including directors' and chief executive's emoluments)		
– Wages and salaries	**55,725**	11,647
– Retirement benefit schemes contributions	**3,370**	1,057

7. DIVIDENDS

No dividend was paid, declared or proposed during the interim period. The directors of the Company have determined that no dividend will be paid in respect of the interim period.

8. LOSS PER SHARE

The calculation of basic and diluted loss per share attributable to owners of the Company for the period is based on the following data:

	Six months ended 30 June	
	2014	2013
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Loss		
Loss for the period attributable to owners of the Company	**(15,036)**	(65,133)

	Six months ended 30 June	
	2014	2013
	(Unaudited)	(Unaudited)
Number of shares		
Weighted average number of ordinary shares for the purpose of basic loss per share	**3,123,729,039**	1,445,573,606

9. TRADE, BILLS AND OTHER RECEIVABLES

The Group does not hold any collateral over these balances.

The Group normally grants to its customers credit periods ranging from 30 days to 180 days which are subject to periodic review by management. The ageing analysis of trade receivables, net of impairment losses recognised, based on the invoice dates which approximated the respective revenue recognition dates at the end of the reporting period was as follows:

	30 June 2014	31 December 2013
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Within 90 days	**25,352**	31,471
91 days to 180 days	**7,677**	5,009
181 days to 365 days	**2,181**	2,523
Over 365 days	**4,205**	5,670
	39,415	44,673
Bills receivables	**11,492**	–
Prepayments, deposits and other receivables	**81,300**	123,436
Total trade, bills and other receivables	**132,207**	168,109

10. TRADE AND OTHER PAYABLES

	30 June 2014	31 December 2013
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Trade payables		
– third parties	**9,872**	14,521
– a non-controlling interest holder	**325**	325
	10,197	14,846
Receipts in advance	**21,528**	1,388
Accrued staff costs	**31,863**	33,378
Other taxes payable	**9,773**	11,962
Accrued interests	**2,314**	1,519
Consideration for the acquisition of subsidiaries	**377,669**	374,977
Payables for construction works and purchase of machineries	**205,581**	224,816
Accrued expenses and other payables	**66,507**	47,245
Total trade and other payables	**725,432**	710,131

The ageing analysis of trade payables based on the invoice date at the end of the reporting period was as follows:

	30 June 2014 *HK$'000* **(Unaudited)**	31 December 2013 *HK$'000* (Audited)
Within 90 days	**6,082**	1,155
91 days to 180 days	**3,824**	8,757
181 days to 365 days	**59**	3,491
Over 365 days	**232**	1,443
	10,197	14,846

The average credit period on purchases of goods is 90 days. The Group has financial risk management policies in place to ensure that all payables are settled within the credit timeframe.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

Overview

During the period under review, the Company has been diligently working towards the resumption of the construction works for the five coal mines located in Shanxi Province, the People's Republic of China (the "PRC"), which had been suspended by the PRC authorities since October 2013. Details are stated in the Coal Mining section below.

Coal Mining

As reported in our 2013 Annual Report, an accident (the "Accident") occurred in a coal mine (the "Accident Mine") in Fenyang Municipality, Shanxi Province, the PRC on 28 September 2013. To the best of the Directors' knowledge and information, ten workers passed away in that Accident. The Group has no relationship with the Accident Mine and the Group has no interests in the Accident Mine. Subsequent to the occurrence of the Accident, on or about 15 October 2013, the Group received official notifications from 山西省煤炭工業廳 (Shanxi Provincial Coal Industry Office*) and 古交市煤炭工業局 (Gujiao Municipality Coal Industry Bureau*), pursuant to which the construction and development works of all mining sites under construction which are located in Shanxi Province, the PRC, would be suspended and would only be resumed upon the successful examination and checking of the various safety measures adopted at such mining sites relating but not limited to the geological conditions, ventilation, sequence of construction, site condition and construction team management.

Subsequent to the notifications issued by 山西省煤炭工業廳 (Shanxi Provincial Coal Industry Office*) and 古交市煤炭工業局 (Gujiao Municipality Coal Industry Bureau*) as disclosed in the announcement made by the Company on 10 January 2014, 山西省太原市人民政府辦公廳 (Shanxi Provincial Taiyuan People's Government Office*) issued a notification to the relevant local authorities and units in relation to the proposed implementation of a rectification scheme for coal mines including adoption of certain necessary measures regarding the hydrological and geological conditions, ventilation and gas management, site conditions, sequence of construction and construction team management. According to the document, the local coal industry bureaus shall conduct inspections of the relevant mining sites and shall supervise the mining sites to carry out the rectification. The relevant coal industry bureaus have issued notifications to the Group in relation to, among others, rectification of the Group's mining sites located in Shanxi Province accordingly. Pursuant to such notifications, the Group shall, within 15 to 45 working days after approval of the rectification plan for each mining sites by the relevant local coal industry bureau, carry out and implement the rectification measures relating but not limited to the hydrological and geological conditions, ventilation and gas management, site conditions and sequence of construction. After implementation of the rectification measures and inspection of the implementation of the rectification measures by the relevant authorities, the Group shall be entitled to apply to the relevant authorities to resume the construction and development works of the Group's mining sites located in Shanxi Province.

As the announcement made by the Company on 8 August 2014, the approvals for the resumption of construction works for all five coal mines were obtained from the relevant authorities and the construction and improvement works had also been resumed accordingly. In light of these circumstances, under the best estimate of the management of the Group currently, the schedule of the improvement works and operation of the respective mines is set out below:

	Expected completion date of the reconstruction and improvement works	**Expected date of commencement of commercial operation**
Liaoyuan Mine	31 January 2015	30 June 2015
Jinxin Mine	Completed	31 December 2014
Xinfeng Mine	31 January 2015	31 May 2015
Bolong Mine	31 December 2014	30 April 2015
Fuchang Mine	Completed	30 November 2014

The summary of expenditure incurred for the six months ended 30 June 2014 for the mine development and improvement works are set out below:

	HK$ in million
Liaoyuan Mine	57.3
Jinxin Mine	0.7
Xinfeng Mine	61.9
Bolong Mine	103.6
Fuchang Mine	7.3
Total	230.8

The Board will continue to use its best endeavours to procure the commencement of commercial operation of the Group's mining sites in Shanxi Province as soon as practicable. We will keep shareholders of the Company updated for any material development as and when appropriate.

Gold mining

As reported in our 2013 Annual Report, the two alluvial gold mines located in Khar Yamaat, Khongor and Sharin Gol Soum of Darkhan Uul aimag, Mongolia were still in the early stages, there were a lot of uncertainties involved in the development and would require further investment of capital, as such, the Group disposed of the gold mining business on 23 October 2013 in order to better utilize the resources of the Group on the coal mining business.

Banking and Finance Systems Integration Services Businesses

The turnover for the first half of 2014 increased in comparison to the same period last year due to greater revenue from the sales of hardware and maintenance fees, but at the same time the cost of sales also increased due to larger salary expenses. As such, the gross profit margin fell, which resulted in an increased loss for the period.

In the first half of 2014, there was no significant improvement to the PRC economy. As such, our banking and finance systems integration services business continued to experience a lot of difficulties such as increasing operating costs and keen competition. As the demand for new integrated ATMs with integrated withdrawal and deposit functions are becoming main stream in PRC banks, we continued to obtain new orders from different PRC banks in the period under review through the promotion of two Japanese ATM brands. The price level for ATM maintenance fees remains stable but the competition continues to be keen as manufacturers have started entering the maintenance market. The business continues on the right track with providing installation and maintenance services to PRC post offices and the cooperation with US manufacturers of postage machines.

We expect the business environment will continue to be difficult in the second half of 2014. We will strive to enlarge our customer base by expanding our sales to post offices, insurance companies and foreign exchange companies. We will continue to take measures to control costs through streamlining the work flow and enhancing our sourcing efforts. We will actively manage and review expenses and sales practices, renegotiate existing contracts periodically and actively seek out new clients, and manage headcount to control salary expenditure.

OUTLOOK

In the second half of 2014, the Company will continue monitoring the progress of the construction work of the coal mines in Shanxi Province, the PRC, in order to meet the expected timetable. The management is confident that the commencement of commercial operations of the coal mines will bring strong prospects for the Company.

FINANCIAL REVIEW

Review of Results

For the six months ended 30 June 2014, the Group recorded a turnover of approximately HK$51,641,000 (six months ended 30 June 2013: approximately HK$40,335,000), which represented an increase of approximately 28.03%. For the six months ended 30 June 2014, the gross profit of the Group was approximately HK$15,516,000 (six months ended 30 June 2013: approximately HK$11,926,000), which represented an increase of approximately 30.10%. The increase in turnover were mainly contributed by the banking and finance systems integration services and software solutions and the mining operations segments. The increase in turnover of the mining operation segment was mainly due to an increase in sales of coking coal. The increase in gross profit was mainly due to the increase in turnover. The Group recorded a loss of approximately HK$163,521,000 as compared to a loss of approximately HK$72,843,000 for the same period last year which represented an increase of approximately 124.48%. The increase in the loss for the current period was mainly attributable to the (i) impairment loss recognised in respect of the mining rights; (ii) increase in administrative expenses; and (iii) increase in finance costs. The main reason for the impairment loss recognised in respect of the mining rights was due to the drop in coal price during the six months ended 30 June 2014. The increase in administrative expenses was mainly attributable to the expenses incurred in the Lexing Group which was acquired by the Group on 7 June 2013.

The increase in finance costs were mainly due to the finance cost incurred in the Lexing Group which was acquired by the Group on 7 June 2013 and the issuance of the New CBs and PNs issued by the Company, each in principal amount of US$30 million on 24 June 2013 and 3 July 2013. The increase in loss will not significantly affect the liquidity of the Group materially as the major part attributable to the loss was non-cash in nature. Loss attributable to the owners of the Company for the six months ended 30 June 2014 was amounted to approximately HK$15,036,000 (six months ended 30 June 2013: approximately HK$65,133,000), represented a decrease of approximately 76.91%. The decrease in loss attributable to the owners was mainly due to a gain in change in fair value of derivatives which was arising from the decrease in fair value of the convertible loan notes issued in the year 2010 and 2013. Loss per share for the first six months of the year 2014 were HK0.48 cents compared to HK4.51 cents per share for the same period in the year 2013. The decrease in loss per share were mainly attributable to the decrease in loss attributable to owners of the Company and the increase in the number of ordinary share issued during the six months ended 30 June 2014.

GEARING

At 30 June 2014, the Group's gearing ratio, computed as the Group's other borrowings, promissory notes and liabilities component of convertible loan notes over the total equity was approximately 1.76 as compared to approximately 1.78 as at 31 December 2013.

The decrease in the gearing ratio was mainly due to the conversion of certain convertible loan notes into ordinary shares during the period under review.

LIQUIDITY

The Group had total cash and bank balances of approximately HK$29,923,000 as at 30 June 2014 (31 December 2013: approximately HK$88,941,000). The Group did not have any bank borrowings as at 30 June 2014 and 31 December 2013 respectively.

CHARGES ON ASSETS

There was no assets of the Group has been pledged as at 30 June 2014 and as at 31 December 2013.

TREASURY POLICIES

The Group generally financed its operations with internally generated resources and equity and/or debt financing activities. All financing methods will be considered so long as such methods are beneficial to the Company. Bank deposits are in Hong Kong dollars ("HK$"), Renminbi ("RMB") and the United States dollars ("USD").

CONTINGENT LIABILITIES

The Group had no material contingent liabilities as at 30 June 2014 and as at 31 December 2013.

CAPITAL COMMITMENTS

The Group had capital commitments for the acquisition of property, plant and equipment which were contracted but not provided for as at 30 June 2014 of approximately HK$294,457,000 (31 December 2013: HK$368,370,000).

FOREIGN EXCHANGE EXPOSURE

For the period ended 30 June 2014, the Group mainly earned revenue in RMB and incurred costs in HK$, RMB and USD. Although the Group currently does not have any foreign currency hedging policies, it does not foresee any significant currency exposure in the near future. However, any permanent or significant changes in RMB against HK$, may have possible impact on the Group's results and financial positions.

EMPLOYEE AND REMUNERATION POLICIES

As at 30 June 2014, the Group employed approximately 1,034 full time employees in Hong Kong and the PRC. The Group remunerates its employees based on their performance, working experience and the prevailing market price. Other employee benefits include mandatory provident fund, insurance and medical coverage and training programs.

REVIEW OF INTERIM FINANCIAL INFORMATION

The Audit Committee has reviewed the Group's unaudited condensed consolidated financial information for the six months ended 30 June 2014.

INTERIM DIVIDEND

The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2014 (2013: nil).

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the six months ended 30 June 2014, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

CODE ON CORPORATE GOVERNANCE PRACTICES

Throughout the six months ended 30 June 2014, the Company has complied with the code provisions and where appropriate, adopted the recommended best practices as set out in the Code on Corporate Governance Practices (the "Code") under Appendix 14 of the Listing Rules, save for the deviation from code provision A.5 of the Code.

The Company did not establish a nomination committee which constitutes a deviation from the code provision A.5 of the Code which stipulates that the issuer should establish a nomination committee.

The Board considers that the appointment and removal of directors are the collective decision of the Board. Where vacancies on the Board exist, the Board will carry out the selection process by making references to the skill, experience, professional knowledge, personal integrity and time commitments of the proposed candidate, including the independence status in the case of an independent non-executive director, the Company's needs and other relevant statutory requirements and regulations. The procedures for shareholders to elect a director has been published in the Company's and HKEx' websites.

On 1 April 2014, Ms. Leung Yin Fai had been appointed and Mr. Lim Yew Kong, John resigned as the independent non-Executive Director, the chairman of each of the Audit Committee and Remuneration Committee of the Company. Save as disclosed above, there were no other new appointments to the Board during the period in review.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as its own code of conduct regarding securities transactions by the Directors. Specific enquiry has been made with each of the Directors and all Directors have confirmed that they have complied with the required standards as set out in the Model Code throughout the six months ended 30 June 2014.

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

Hong Kong, 28 August 2014

As at the date of this announcement, Mr. Zhang Sanhuo, Mr. Zhang Xu and Mr. Tse Michael Nam are the executive Directors, Mr. Zou Chengjian is the non-executive Director and Mr. Leung Po Wing, Bowen Joseph (GBS, JP), Mr. Zhou Chunsheng and Ms. Leung Yin Fai are the independent non-executive Directors.