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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in North Asia Resources Holdings Limited (the “Company”), you should at once hand this circular and the accompanying form of proxy to the purchaser or transferee or to the bank manager, licensed securities dealer or registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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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)

PROPOSED REFRESHMENT OF GENERAL MANDATE TO ALLOT AND ISSUE SHARES

**Independent Financial Adviser to the Independent Board Committee
and the Independent Shareholders**



INCU Corporate Finance Limited

A letter from an independent committee of the board of the Company (the “Independent Board Committee”) is set out on page 9 of this circular. A letter from INCU Corporate Finance Limited, the independent financial adviser to the Independent Board Committee and the independent shareholders of the Company, is set out on pages 10 to 18 of this circular.

A notice convening a special general meeting (the “SGM”) of the Company to be held at Units 2001-2, 20th Floor, Li Po Chun Chambers, 189 Des Voeux Road Central, Hong Kong on Friday, 22 October 2010 at 11:00 a.m. is set out on pages 19 to 22 of this circular. A form of proxy for use at the SGM is also enclosed with this circular.

Whether or not you are able to attend the SGM, you are advised to read the notice and to complete and return the enclosed form of proxy, in accordance with the instructions printed thereon, to the Hong Kong branch share registrar and transfer office of the Company, Tricor Tengis Limited, at 26/F., Tesbury Centre, 28 Queen’s Road East, Wanchai, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the SGM or any adjourned meeting. Completion and delivery of the form of proxy shall not preclude you from attending and voting in person at the SGM or any adjournment thereof should you so desire.

6 October 2010

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DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions shall have the following meanings:

“AGM”	the annual general meeting of the Company held on 31 May 2010 in which the Shareholders had approved, among other matters, the Current General Mandate
“associates”	have the same meaning as ascribed in the Listing Rules
“Board”	the board of Directors, including all independent non-executive Directors
“CB Subscription(s)”	the subscription(s) by Business Ally Investments Limited as the subscriber for the Convertible Bonds pursuant to the subscription agreement dated 8 September 2010 entered into between the Company and Business Ally Investments Limited
“Company”	North Asia Resources Holdings Limited, a company incorporated in Bermuda with limited liability and the issued Shares are listed on the main board of the Stock Exchange
“Companies Act”	the Companies Act 1981 of Bermuda, as amended from time to time
“Convertible Bonds”	the convertible bonds comprising the first tranche of CB Subscription(s) with the principal of US\$30,000,000 and the second tranche of CB Subscription(s) with the principal of US\$3,000,000 in the aggregate sum of up to US\$33,000,000 issued/to be issued (as the case may be) by the Company to the subscriber pursuant to the subscription agreement dated 8 September 2010
“Current General Mandate”	the general mandate approved at the AGM to grant to the Directors to allot and issue Shares of up to 20% of the share capital of the Company in issue on the date of the passing of the relevant ordinary resolution, i.e. 31 May 2010
“Director(s)”	director(s) of the Company

DEFINITIONS

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Board Committee”	an independent committee of the Board, comprising all the independent non-executive Directors, to advise the Independent Shareholders as to the fairness and reasonableness of the grant of the New General Mandate and any extension thereof
“Independent Financial Adviser” or “INCU”	INCU Corporate Finance Limited, a licensed corporation to carry out type 6 (advising on corporate finance) regulated activity as defined under the SFO, being independent financial adviser to the Independent Board Committee and the Independent Shareholders
“Independent Shareholders”	Shareholder(s) other than the Directors (excluding the independent non-executive Directors) and the chief executive of the Company and their respective associates
“Latest Practicable Date”	4 October 2010, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular
“New General Mandate”	the general mandate proposed to be granted to the Directors at the SGM to allot, issue and otherwise deal with additional Shares not exceeding 20% of the share capital of the Company in issue on the date of the passing of the relevant ordinary resolution
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)

DEFINITIONS

“SGM”	the special general meeting of the Company to be convened and held at Units 2001-2, 20th Floor, Li Po Chun Chambers, 189 Des Voeux Road Central, Hong Kong on Friday, 22 October 2010 at 11:00 a.m. to consider and, if appropriate, to approve the ordinary resolutions contained in the notice of the meeting which are set out on pages 19 to 22 of this circular
“Share(s)”	ordinary share(s) of nominal value of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent

LETTER FROM THE BOARD



NORTH ASIA RESOURCES HOLDINGS LIMITED

北亞資源控股有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 61)

Executive Directors:

Mr. King Jun Chih, Joseph
Mr. Chan Kwan Hung
Mr. Tse Michael Nam

Registered office:

Clarendon House
2 Church Street
Hamilton HM11
Bermuda

Independent non-executive Directors:

Mr. Lim Yew Kong, John
Mr. Mak Ping Leung
Mr. Leung Po Wing, Bowen Joseph, *GBS, JP*

*Head office and principal place of
business in Hong Kong:*

Units 2001-2, 20th Floor
Li Po Chun Chambers
189 Des Voeux Road Central
Hong Kong

6 October 2010

To the Shareholders

Dear Sir or Madam,

PROPOSED REFRESHMENT OF GENERAL MANDATE TO ALLOT AND ISSUE SHARES

INTRODUCTION

The purpose of this circular is to provide you with the information relating to (i) the proposed grant of the New General Mandate and any extension thereof; (ii) the recommendation from the Independent Board Committee to the Independent Shareholders on the proposed grant of the New General Mandate and any extension thereof; (iii) the recommendation from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders, on the proposed grant of the New General Mandate and any extension thereof; and (iv) the notice of SGM, at which the necessary resolutions will be proposed to the Independent Shareholders to consider and, if thought fit, approve the New General Mandate and any extension thereof by way of poll.

LETTER FROM THE BOARD

CURRENT GENERAL MANDATE

At the AGM, Shareholders approved, among other things, an ordinary resolution to grant to the Directors the Current General Mandate to issue not more than 155,505,465 Shares, being 20% of the aggregate nominal amount of the issued share capital of the Company of 777,527,325 Shares as at the date of passing of the resolution.

During the period from the grant of the Current General Mandate to the Latest Practicable Date, a maximum amount of 150,441,175 Shares out of the Current General Mandate have been or earmarked to be utilised by the Company for the CB Subscription(s). After such issue of Shares, the remaining number of Shares to be issued under the Current General Mandate have been reduced to 5,064,290. As a result of the CB Subscription(s), the Current General Mandate was utilised as to approximately 96.74%.

Since the AGM and except for the proposed grant of the New General Mandate herein, the Company has not refreshed its general mandate granted at the AGM.

PROPOSED GRANT OF NEW GENERAL MANDATE

At the SGM, ordinary resolutions will be proposed to the Independent Shareholders that:

- (i) the Directors be granted the New General Mandate to allot and issue Shares not exceeding 20% of the share capital of the Company in issue as at the date of passing the relevant resolution; and
- (ii) the New General Mandate be extended to Shares repurchased by the Company pursuant to the repurchase mandate granted to the Directors at the AGM.

The Company has not refreshed the Current General Mandate since the AGM.

As at the Latest Practicable Date, the Company had an aggregate of 822,981,870 Shares in issue. Subject to the passing of the ordinary resolutions for the approval of the New General Mandate and on the basis that no further Shares are issued and/or repurchased by the Company between the Latest Practicable Date and the date of the SGM, the Company would be allowed under the New General Mandate to allot and issue up to 164,596,374 Shares, being 20% of the total number of Shares in issue as at the Latest Practicable Date.

LETTER FROM THE BOARD

REASONS FOR THE NEW GENERAL MANDATE

In order to maintain flexibility and provide discretion to the Directors to issue new Shares in the future which is necessary for the Group's funding needs and future business development, the Directors propose to the Independent Shareholders resolutions to grant the New General Mandate such that the Directors can exercise the power of the Company to issue new Shares up to 20% of the issued share capital of the Company as at the date of the SGM, plus the number of shares repurchased by the Company pursuant to the repurchase mandate granted at the AGM. The Company at present does not have any concrete plan regarding the utilisation of the New General Mandate to be refreshed.

The following table summarizes the use of the Current General Mandate since the AGM:

Date of announcement	Event	Net proceeds	Intended use of proceeds	Actual use of proceeds as at the Latest Practicable Date
8 September 2010	Convertible Bonds in the aggregate principal amount of up to US\$33 million, a maximum amount of 150,441,175 Shares will be issued	Approximately HK\$243 million	General working capital of the Group, acquisition of iron concession in Mongolia and/or any other possible acquisitions in future	As at the Latest Practicable Date, US\$4 million of the net proceeds from the first tranche of the CB Subscription has been used as general working capital

In view of the above, the Directors consider the grant of the New General Mandate and any extension thereof, which may or may not be utilised, is in the best interests of the Company and the Shareholders as a whole.

SPECIAL GENERAL MEETING

Pursuant to the Listing Rules, the New General Mandate requires the approval of the Independent Shareholders at the SGM at which any of the controlling Shareholders and their associates or, where there are no controlling Shareholders, the Directors (excluding independent non-executive Directors) and the chief executive of the Company and their respective associates shall abstain from voting in favour of the relevant resolutions. Since the Company has no controlling Shareholders, the Directors (excluding independent non-executive Directors) and the chief executive of the Company and their respective associates shall abstain from voting in favour of the relevant resolutions at the SGM.

LETTER FROM THE BOARD

As at the Latest Practicable Date, Mr. King Jun Chih, Joseph (“Mr. King”), the chairman of the Company and an executive Director, and Mr. Chan Kwan Hung (“Mr. Chan”), the chief executive officer of the Company and an executive Director were deemed to be interested in 155,350,000 Shares held by Mountain Sky Resources (Mongolia) Limited (“Mountain Sky (Mongolia)”). Mountain Sky (Mongolia) is beneficially owned as to 91.43% by Mountain Sky Resources Holdings Limited which in turn is beneficially owned as to 40% by Mr. Chan and as to 40% by M&S Investment Consultants Limited which in turn is wholly and beneficially owned by Ms. Kung Lui, wife of Mr. King.

As at the Latest Practicable Date, Mr. Tse Michael Nam (“Mr. Tse”), an executive Director is interested in 11,531,642 Shares and share options entitling him to subscribe for 100,964 Shares, 902,193 Shares and 1,000,000 Shares at an exercise price of HK\$6.51, HK\$2.40 and HK\$2.34 per Share respectively. As at the Latest Practicable Date, Mr. Lim Yew Kong, John (“Mr. Lim”), an independent non-executive Director is interested in 839,178 Shares and share options entitling him to subscribe for 60,822 Shares and 1,500,000 Shares at an exercise price of HK\$3.55 and HK\$2.34 per Share respectively.

Save as disclosed above, as at the Latest Practicable Date, none of the other Directors and the chief executive of the Company, and their respective associates have any Shares in the Company. Mountain Sky (Mongolia), Mr. King, Mr. Chan, Mr. Tse and their respective associates will abstain from voting in relation to the resolutions to approve the grant of the New General Mandate and any extension thereof at the SGM.

Any vote of the Independent Shareholders at the SGM will be taken by poll for resolutions in relation to the granting and extension of New General Mandate.

The notice convening the SGM is set out on pages 19 to 22 of this circular. At the SGM, ordinary resolutions will be proposed to approve the proposed grant of the New General Mandate and any extension thereof. A form of proxy for use at the SGM is also enclosed with this circular. To be valid, the enclosed form of proxy, together with any power of attorney or other authority under which it is signed must be completed in accordance with the instructions printed thereon and delivered to the Hong Kong branch share registrar and transfer office of the Company, Tricor Tengis Limited, at 26/F., Tesbury Centre, 28 Queen’s Road East, Wanchai, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the SGM or any adjourned meeting. The completion and return of the form of proxy will not preclude you from attending and voting at the SGM or any adjourned meeting in person if you so wish.

LETTER FROM THE BOARD

INDEPENDENT BOARD COMMITTEE

The Independent Board Committee comprises Mr. Lim Yew Kong, John, Mr. Mak Ping Leung and Mr. Leung Po Wing, Bowen Joseph, *GBS, JP*, all being independent non-executive Directors. It has been established to advise the Independent Shareholders on the grant of the New General Mandate and any extension thereof.

INCUB has been appointed as Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the grant of the New General Mandate and any extension thereof.

RECOMMENDATIONS

The Directors consider the refreshment of the New General Mandate and any extension thereof is in the interests of the Company and the Shareholders as a whole and accordingly recommend the Independent Shareholders to vote in favour of the relevant resolutions to be proposed at the SGM for approving the grant of the New General Mandate and any extension thereof.

The Independent Board Committee, having taken into account the advice of the Independent Financial Adviser, considers that the granting of the New General Mandate and any extension thereof is fair and reasonable so far as the Independent Shareholders are concerned and accordingly recommends the Independent Shareholders to vote in favour of the relevant resolutions to be proposed at the SGM for approving the grant of the New General Mandate and any extension thereof.

GENERAL INFORMATION

Your attention is drawn to the letter of advice from the Independent Financial Adviser set out on pages 10 to 18 of this circular which contains its advice to the Independent Board Committee and the Independent Shareholders in connection with the grant of the New General Mandate and any extension thereof and the letter from the Independent Board Committee set out on page 9 of this circular which contains its recommendation to the Independent Shareholders in relation to the grant of the New General Mandate and any extension thereof.

RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

Yours faithfully,
For and on behalf of the Board
North Asia Resources Holdings Limited
King Jun Chih, Joseph
Chairman

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

The following is the text of a letter from the Independent Board Committee setting out its recommendation to the Independent Shareholders in relation to the proposed grant of the New General Mandate:



NORTH ASIA RESOURCES HOLDINGS LIMITED

北亞資源控股有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 61)

6 October 2010

To the Independent Shareholders

Dear Sir or Madam,

PROPOSED REFRESHMENT OF GENERAL MANDATE TO ALLOT AND ISSUE SHARES

We have been appointed as the Independent Board Committee to consider and advise you in connection with the proposed refreshment of the New General Mandate and any extension thereof, details of which are set out in the circular dated 6 October 2010 issued by the Company to the Shareholders (the “Circular”), of which this letter forms part. Terms defined in the Circular will have the same meanings when used herein unless the context otherwise requires.

We wish to draw your attention to the letter from the Board and the letter of advice from INCU set out on pages 4 to 8 and pages 10 to 18 of the Circular respectively.

Having taken into account the principal factors and reasons considered by INCU, its conclusion and advice, we concur with the view of INCU and consider that the grant of the New General Mandate and any extension thereof is fair and reasonable so far as the Independent Shareholders are concerned and the New General Mandate and any extension thereof is in the interests of the Company and the Shareholders as a whole.

Accordingly, we recommend you to vote in favour of the ordinary resolutions to be proposed at the SGM to approve the grant of the New General Mandate and any extension thereof and the transactions contemplated thereunder.

Yours faithfully,

For and on behalf of the Independent Board Committee

Mr. Lim Yew Kong, John
*Independent non-executive
Director*

Mr. Mak Ping Leung
*Independent non-executive
Director*

**Mr. Leung Po Wing,
Bowen Joseph, GBS, JP**
*Independent non-executive
Director*

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The following is the text of a letter of advice from INCU to the Independent Board Committee and the Independent Shareholders in relation to the proposed grant of New General Mandate:



INCU Corporate Finance Limited

Unit 1602, Ruttonjee House
Ruttonjee Centre, 11 Duddell Street
Central, Hong Kong

6 October 2010

*To: The Independent Board Committee and
The Independent Shareholders of*

North Asia Resources Holdings Limited

Units 2001-2, 20th Floor
Li Po Chun Chambers
189 Des Voeux Road Central
Hong Kong

Dear Sirs,

**PROPOSED REFRESHMENT OF GENERAL MANDATE
TO ALLOT AND ISSUE SHARES**

INTRODUCTION

We refer to our appointment as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the grant of the New General Mandate and any extension thereof. Details of the New General Mandate are set out in the Letter from the Board (the “Letter”) as contained in the circular of the Company to the Shareholders dated 6 October 2010 (the “Circular”), of which this letter forms a part.

We have been retained by the Company to advise the Independent Board Committee and the Independent Shareholders as to whether the grant of the New General Mandate and any extension thereof is fair and reasonable and whether (i) the grant of the New General Mandate to the Board to exercise the power of the Company to allot and issue shares not exceeding 20% of the issued share capital of the Company as at the date of the SGM; and (ii) the addition to the New General Mandate to allot and issue Shares to be repurchased by the Company are in the interests of the Company and its Shareholders as a whole, and to advise the Independent Shareholders whether to vote in favour of the ordinary resolutions for approving the grant of the New General Mandate and any extension thereof. Capitalised terms used in this letter shall have the same meanings as those defined in the Circular unless otherwise defined.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Pursuant to Rule 13.36(4)(a) of the Listing Rules, the grant of the New General Mandate and any extension thereof requires the approval of the Independent Shareholders at the SGM at which any of the controlling Shareholders and their associates or, where there are no controlling Shareholders, the Directors (excluding independent non-executive Directors) and the chief executive of the Company and their respective associates shall abstain from voting in favour of the relevant resolutions. Since the Company has no controlling Shareholders, the Directors (excluding independent non-executive Directors) and the chief executive of the Company and their respective associates shall abstain from voting in favour of the relevant resolutions at the SGM. Any vote of the Independent Shareholders at the SGM will be taken by way of poll.

As set out in the Letter, as at the Latest Practicable Date, Mr. King Jun Chih, Joseph (“Mr. King”), the chairman of the Company and an executive Director, and Mr. Chan Kwan Hung (“Mr. Chan”), the chief executive officer of the Company and an executive Director were deemed to be interested in 155,350,000 Shares held by Mountain Sky Resources (Mongolia) Limited (“Mountain Sky (Mongolia)”). Mountain Sky (Mongolia) is beneficially owned as to 91.43% by Mountain Sky Resources Holdings Limited which in turn is beneficially owned as to 40% by Mr. Chan and as to 40% by M&S Investment Consultants Limited which in turn is wholly and beneficially owned by Ms. Kung Lui, wife of Mr. King.

As at the Latest Practicable Date, Mr. Tse Michael Nam (“Mr. Tse”), an executive Director is interested in 11,531,642 Shares and share options entitling him to subscribe for 100,964 Shares, 902,193 Shares and 1,000,000 Shares at an exercise price of HK\$6.51, HK\$2.40 and HK\$2.34 per Share respectively. As at the Latest Practicable Date, Mr. Lim Yew Kong, John (“Mr. Lim”), an independent non-executive Director is interested in 839,178 Shares and share options entitling him to subscribe for 60,822 Shares and 1,500,000 Shares at an exercise price of HK\$3.55 and HK\$2.34 per Share respectively.

As set out in the Letter, save as disclosed above, as at the Latest Practicable Date, none of the other Directors and the chief executive of the Company, and their respective associates have any Shares in the Company.

Mountain Sky (Mongolia), Mr. King, Mr. Chan, Mr. Tse and their respective associates will abstain from voting in relation to the resolutions to approve the grant of the New General Mandate and any extension thereof at the SGM.

The Independent Board Committee, comprising Mr. Lim, Mr. Mak Ping Leung and Mr. Leung Po Wing, Bowen Joseph, *GBS, JP*, all being independent non-executive Directors has been established to advise the Independent Shareholders on the grant of the New General Mandate and any extension thereof and to advise how the Independent Shareholders should vote in respect of the grant of the New General Mandate and any extension thereof.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

BASIS OF OUR OPINION

In formulating our opinion and advice, we have relied upon accuracy of the information and representations contained in the Circular and information provided to us by the Company and its Directors. We have assumed that all statements and representations made or referred to in the Circular were true at the time they were made and continue to be true at the date of the SGM. We have also assumed that all statements of belief, opinion and intention made by the Directors in the Circular were reasonably made after due enquiry.

We have no reason to doubt the truth, accuracy and completeness of the information and representations provided to us by the Directors and have been confirmed by the Directors that no material facts and representations the omission of which would make any statement in the Circular, including this letter, misleading. We have not, however, conducted any independent in-depth investigation into the business affairs, financial position or future prospects of the Group, nor have we carried out any independent verification of the information provided by the Directors and management of the Company. We consider that we have reviewed sufficient information to reach an informed view and to justify reliance on the accuracy of the information and representations contained in the Circular and to provide a reasonable basis for our recommendation regarding the grant of the New General Mandate and any extension thereof.

Apart from normal professional fees for our services to the Company in connection with the engagement described above, no arrangement exists whereby we will receive any benefits from the Group.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In formulating our opinion and advice on the grant of the New General Mandate and any extension thereof, we have taken into consideration the following principal factors and reasons:

1. Background

The Group is principally engaged in the mining business of gold mines and iron ore mine in Mongolia. The Group is also engaged in the business of the distribution and provision of banking and finance systems integration services and software solutions.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The Company will convene the SGM at which ordinary resolutions will be proposed to the Independent Shareholders that:

- (i) the Directors be granted the New General Mandate to allot and issue Shares not exceeding 20% of the share capital of the Company in issue as at the date of passing the relevant resolution; and
- (ii) the New General Mandate be extended to Shares repurchased by the Company pursuant to the repurchase mandate granted to the Directors at the AGM.

2. Reasons for the grant of the New General Mandate

At the AGM held on 31 May 2010, the Directors were granted a general mandate to allot, issue and deal with new Shares of up to 20% of the aggregate issued share capital of the Company as at the date of such meeting. As at the date of the AGM, 777,527,325 Shares were in issue and accordingly, up to 155,505,465 new Shares can be issued under the Current General Mandate.

During the period from the grant of the Current General Mandate to the Latest Practicable Date, a maximum amount of 150,441,175 Shares out of the Current General Mandate have been or earmarked to be utilised by the Company for the CB Subscription(s). The first tranche of the CB Subscription(s) with the principal amount of US\$30 million has been completed on 14 September 2010. Subject to the completion of the second tranche of the CB Subscription(s), the remaining number of Shares to be issued under the Current General Mandate have been reduced to 5,064,290. As a result of the CB Subscription(s), the Current General Mandate was utilised as to approximately 96.74%.

Since the AGM and except for the proposed grant of the New General Mandate and any extension thereof herein, the Company has not refreshed its general mandate granted at the AGM.

In order to maintain flexibility and provide discretion to the Directors to issue new Shares in the future which is necessary for the Group's funding needs and future business development, the Directors propose to the Independent Shareholders resolutions to grant the New General Mandate such that the Directors can exercise the power of the Company to issue new Shares up to 20% of the issued share capital of the Company as at the date of the SGM, plus the number of Shares repurchased by the Company pursuant to the repurchase mandate granted at the AGM.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The grant of the New General Mandate and any extension thereof will be in force when it is approved by the Independent Shareholders at the SGM. As at the Latest Practicable Date, the total number of issued Shares was 822,981,870 Shares. On the assumption that there will be no further issue or repurchase of Shares from the Latest Practicable Date to the date of the SGM (both dates inclusive), the Board will be granted the power to allot and issue further 164,596,374 Shares, being 20% of the total number of issued shares of the Company of 822,981,870 Shares, under the New General Mandate when it is approved by the Independent Shareholders at the SGM.

Shareholders should note that the grant of the New General Mandate and any extension thereof if approved by the Independent Shareholders at the SGM will be and continue to be in force until the earliest of (i) the conclusion of the Company's next annual general meeting, (ii) the expiration of the period within which the next annual general meeting of the Company is required by the bye-laws of the Company or any applicable laws of Bermuda to be held, and (iii) the revocation or variation of the authority given under the relevant resolutions to be proposed as ordinary resolutions of the Shareholders in general meeting.

The following table summarizes the use of the Current General Mandate since the AGM:

Date of announcement	Event	Net proceeds	Intended use of proceeds	Actual use of proceeds as at the Latest Practicable Date
8 September 2010	Convertible Bonds in the aggregate principal amount of up to US\$33 million, a maximum amount of 150,441,175 Shares will be issued	Approximately HK\$243 million	General working capital of the Group, acquisition of iron concession in Mongolia and/or any other possible acquisitions in future	As at the Latest Practicable Date, US\$4 million of the net proceeds from the first tranche of the CB Subscription has been used as general working capital

As stated under the section headed “**REASONS FOR THE NEW GENERAL MANDATE**” in the Letter, the Company at present does not have any concrete plan regarding the utilisation of the New General Mandate to be refreshed.

3. Financing flexibility

Since the Current General Mandate has been greatly utilised, the Directors believe that the grant of the New General Mandate and any extension thereof will provide the Company with the flexibility and discretion to take advantage of the market condition to raise additional funds for the Company through the issue of new Shares in a speedy manner as and when opportunities are identified and when the Directors think fit and appropriate.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Without the grant of the New General Mandate and any extension thereof, any further equity issue by the Company in excess of the remaining limit of the Current General Mandate will require specific approval from the Shareholders at general meeting. The extra time taken for holding the general meeting to obtain the specific Shareholders' approval may hinder the Company's ability to take up suitable investment opportunities, and defer potential investors from subscribing new Shares.

Given that equity financing is an important avenue of resources of the Group as it does not create any interest payment obligations on the Group, we consider that the grant of the New General Mandate and any extension thereof could enhance the financing flexibility of the Company to raise capital, if and when required, through placing of Shares for further business development of the Group and further strengthen the Company's capital base. We also concur with the Directors' view that, although there is no immediate needs for further funding as at the Latest Practicable Date, the grant of the New General Mandate and any extension thereof is essential for the Group to respond to the market promptly in the event that the Group identifies suitable investment opportunities which may need further funding or attractive terms for investment in the Shares are to be offered by potential investors because the New General Mandate and any extension thereof provides the Company a more simple and less lead time process than other types of fund raising exercise and to avoid the uncertainties in such circumstances that specific mandate may not be obtained in a timely manner.

4. Other financial alternatives

Other than raising funds by way of issuing equity capital, the Board indicates that the Company will consider other financing methods such as bank financing, debt financing and funding through internal resources in order to meet its financing requirements arising from future investment of the Group, depending on the then financial position, capital structure and cost of funding of the Group as well as the then market condition. As discussed with the management of the Company, the Directors have also considered other alternative equity financing activities such as rights issue and open offer available to the Company; yet, such financing activities would be subject to a lengthy process and would incur additional costs to the amount raised. As such, the grant of the New General Mandate and any extension thereof will serve as one of the alternatives for the Company to finance the Group's future investment and enable the Board to use the method that serves the best interests of the Group and in an efficient manner. We consider that it is sensible to make reference to the then financial position, capital structure and cost of funding of the Group as well as the then market condition in order to decide a suitable financing method for the future investment of the Group.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

5. Potential dilution to Shareholders

The table below sets out the shareholding of the Company as at the Latest Practicable Date and the potential dilution effect upon full utilisation of the New General Mandate:

Shareholders	As at the Latest Practicable Date		Upon full utilisation of the New General Mandate	
	Number of Shares	Approximate %	Number of Shares	Approximate %
Integrated Asset Management (Asia) Limited (“IAM”) (note 1)	140,591,657	17.08	140,591,657	14.24
Ultra Asset International Ltd. (“Ultra Asset”) (notes 2 and 4)	70,820,000	8.61	70,820,000	7.17
Mountain Sky (Mongolia) (notes 3 and 4)	155,350,000	18.88	155,350,000	15.73
Mr. Lim (note 5)	839,178	0.10	839,178	0.08
Mr. Tse (note 6)	11,531,642	1.40	11,531,642	1.17
<i>Public Shareholders</i>				
Great Metal Group Limited (“Great Metal”) (note 7)	50,690,000	6.16	50,690,000	5.13
Ms. Chen Yun	45,454,545	5.52	45,454,545	4.60
Other existing public Shareholders	347,704,848	42.25	347,704,848	35.21
<i>Subtotal of the public Shareholders</i>	<i>443,849,393</i>	<i>53.93</i>	<i>443,849,393</i>	<i>44.94</i>
New Shares to be issued under the New General Mandate	–	–	164,596,374	16.67
Total	822,981,870	100.00	987,578,244	100.00

Notes:

- IAM is wholly and beneficially owned by Mr. Yam Tak Cheung.
- Ultra Asset is beneficially owned as to (i) 60% by Extra Right Group Limited which is wholly and beneficially owned by Mr. Yu Tsung Chin, William and (ii) 40% by Mr. Zhang Wei.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

3. Mountain Sky (Mongolia) is beneficially owned as to 91.43% by Mountain Sky Resources Holdings Limited (“Mountain Sky Holdings”). Mountain Sky Holdings is beneficially owned as to 40% by Mr. Chan (the executive Director) and 40% by M&S Investment Consultants Limited. M&S Investment Consultants Limited is wholly and beneficially owned by Ms. Kung Lui, wife of Mr. King (the executive Director).
4. 2,363,710,400 convertible preference shares of the Company which are held by Ultra Asset and Mountain Sky (Mongolia) as to 718,500,400 and 1,645,210,000 convertible preference shares respectively. Subject to adjustments to the convertible preference shares, a total of 2,686,034,545 Shares will be issued upon the full conversion of the convertible preference shares. However, under the terms of the convertible preference shares, there is some conversion restrictions, in which (i) any conversion of the convertible preference shares shall not trigger a mandatory offer obligation under Rule 26 of The Code on Takeovers and Mergers on the part of the holders of the convertible preference shares and their concert parties who exercise the conversion rights; (ii) the number of conversion shares to be allotted and issued upon the exercise of the conversion rights attaching to the convertible preference shares shall not be more than 29.99% of the then issued ordinary share capital of the Company on a fully diluted basis; and (iii) the number of conversion shares to be allotted and issued to any holder of the convertible preference shares shall not be more than 19.99% of the then issued ordinary share capital of the Company on a fully diluted basis.
5. Mr. Lim is an independent non-executive Director. In addition to the 839,178 Shares, he is also interested in share options of the Company entitling him to subscribe for 60,822 Shares and 1,500,000 Shares at an exercise price of HK\$3.55 and HK\$2.34 per Share respectively.
6. Mr. Tse is an executive Director. In addition to the 11,531,642 Shares, he is also interested in share options of the Company entitling him to subscribe for 100,964 Shares, 902,193 Shares and 1,000,000 Shares at an exercise price of HK\$6.51, HK\$2.40 and HK\$2.34 per Share respectively.
7. Great Metal is wholly and beneficially owned by China Railway Mongolia Investment LLC.

Assuming that (i) the grant of the New General Mandate and any extension thereof is approved at the SGM; (ii) no Shares will be repurchased and no new Shares will be issued from the Latest Practicable Date up to the date of the SGM (both dates inclusive); and (iii) upon full utilisation of the granted New General Mandate, 164,596,374 Shares are to be issued to new Shareholders other than the existing Shareholders, which represent 20% of the existing issued share capital of the Company as at the Latest Practicable Date and approximately 16.67% of the enlarged issued share capital of the Company, the aggregate shareholding of the existing public Shareholders will be diluted from approximately 53.93% to approximately 44.94% upon full utilisation of the granted New General Mandate for issue of Shares to third party other than the existing public Shareholders.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Taking into account that (i) the grant of the New General Mandate and any extension thereof will allow the increase in capital which may be raised by way of new equity issue under the granted New General Mandate; (ii) the grant of the New General Mandate and any extension thereof will provide an alternative financing to the Group for future business development and potential investment as and when such opportunities arise; and (iii) the fact that the shareholding of all the existing Shareholders will be diluted proportionally to their respective shareholdings upon utilisation of the New General Mandate and any extension thereof, we consider that such maximum potential dilution to the shareholdings of the Shareholders to be acceptable.

RECOMMENDATIONS

Having taken into account the principal factors and reasons set out above, we are of the opinion that the grant of New General Mandate and any extension thereof is fair and reasonable and in the interests of the Company and the Shareholders as a whole. Accordingly, we advise the Independent Board Committee and the Independent Shareholders to vote in favour of ordinary resolutions 1 and 2 to be proposed at the SGM to approve the grant of the New General Mandate and any extension thereof.

Yours faithfully,

For and on behalf of

INCUCorporate Finance Limited

Gina Leung

Managing Director

Peggy Wong

Associate Director

NOTICE OF SGM



NORTH ASIA RESOURCES HOLDINGS LIMITED

北亞資源控股有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 61)

NOTICE OF SPECIAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that a special general meeting (the “**SGM**”) of North Asia Resources Holdings Limited (the “**Company**”) will be held at Units 2001-2, 20th Floor, Li Po Chun Chambers, 189 Des Voeux Road Central, Hong Kong on Friday, 22 October 2010 at 11:00 a.m. for the purpose of considering and, if thought fit, passing with or without amendments, the following resolutions of the Company:

ORDINARY RESOLUTIONS

1. “**THAT**, to the extent not already exercised, the mandate to allot and issue shares of the Company given to the directors (the “**Directors**”) of the Company at the annual general meeting (the “**AGM**”) of the Company held on 31 May 2010 be and is hereby revoked and replaced by the mandate **THAT**:
 - (a) subject to paragraph (c) below, pursuant to the Rules (the “**Listing Rules**”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”), the exercise by the Directors during the Relevant Period (as defined below) of all the powers of the Company to allot, issue and deal with unissued shares of the Company (the “**Shares**”) and to make or grant offers, agreements and options, including warrants to subscribe for Shares, which might require the exercise of such powers be and the same is hereby generally and unconditionally approved;
 - (b) the approval in paragraph (a) above shall authorise the Directors during the Relevant Period to make or grant offers, agreements and options which might require the exercise of such powers after the end of the Relevant Period;

NOTICE OF SGM

(c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to options or otherwise) by the Directors pursuant to the approval in paragraph (a) above, otherwise than pursuant to (i) a Rights Issue (as defined below); or (ii) the exercise of any options granted under the existing share option scheme of the Company; or (iii) any scrip dividend or similar arrangements providing for the allotment and issue of Shares in lieu of the whole or part of a dividend on Shares in accordance with the bye-laws (the “**Bye-laws**”) of the Company in force from time to time; or (iv) any issue of Shares upon the exercise of rights of subscription or conversion under the terms of any warrants of the Company or any securities which are convertible into Shares, shall not exceed the aggregate of:

- (i) 20 per cent of the aggregate nominal amount of the share capital of the Company in issue on the date of the passing of this resolution; and
- (ii) (if the Directors are so authorised by a separate ordinary resolution of the shareholders of the Company) the nominal amount of any share capital of the Company repurchased by the Company subsequent to the passing of this resolution (up to a maximum equivalent to 10 per cent of the aggregate nominal amount of the share capital of the Company in issue on the date of the passing of such resolution),

and the authority pursuant to paragraph (a) of this resolution shall be limited accordingly; and

(d) for the purposes of this resolution:

“**Relevant Period**” means the period from the date of the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Bye-laws, the Companies Act or any other applicable laws of Bermuda to be held; or
- (iii) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the authority given to the Directors by this resolution;

NOTICE OF SGM

“**Rights Issue**” means an offer of Shares, or offer or issue of warrants, options or other securities giving rights to subscribe for Shares open for a period fixed by the Directors to holders of Shares on the register on a fixed record date in proportion to their then holdings of Shares (subject to such exclusion or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements, or having regard to any restrictions or obligations under the laws of, or the requirements of, or the expense or delay which may be involved in determining the existence or extent of any restrictions or obligations under the laws of, or the requirements of, any jurisdiction outside Hong Kong or any recognised regulatory body or any stock exchange outside Hong Kong).”

2. “**THAT** conditional upon the passing of resolution no. 1 above, the mandate granted to the Directors at the AGM to extend the general mandate to allot and issue Shares to Shares repurchased by the Company be and is hereby revoked and replaced by the mandate **THAT** the Directors be and they are hereby authorised to exercise the authority referred to in paragraph (a) of resolution no. 1 above in respect of the share capital of the Company referred to in sub-paragraph (ii) of paragraph (c) of such resolution.”

By Order of the Board
North Asia Resources Holdings Limited
King Jun Chih, Joseph
Chairman

Hong Kong, 6 October 2010

Registered Office:
Clarendon House
2 Church Street
Hamilton HM11
Bermuda

*Head office and principal place of
business in Hong Kong:*
Units 2001-2, 20th Floor
Li Po Chun Chambers
189 Des Voeux Road Central
Hong Kong

NOTICE OF SGM

Notes:

1. Any member entitled to attend and vote at the meeting convened by the above notice is entitled to appoint one or more proxies to attend and, in the event of a poll, vote in his/her stead. A proxy need not be a member of the Company.
2. In order to be valid, the form of proxy must be duly lodged at the Company's branch share registrar in Hong Kong, Tricor Tengis Limited at 26/F., Tesbury Centre, 28 Queen's Road East, Hong Kong together with a power of attorney or other authority, if any, under which it is duly signed or a notarially certified copy of that power of attorney or authority, not less than 48 hours before the time for holding the meeting or any adjourned meeting.
3. Completion and return of a form of proxy will not preclude a member from attending in person and voting at the above meeting or any adjournment thereof, should he so wish, and in such event, the form of proxy shall be deemed to be revoked.
4. The English translation of Chinese names or words in this notice is included for information purpose only, and should not be regarded as the official English translation of such Chinese names or words.