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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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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 dealers 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 the 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)****ALTERATIONS TO THE TERMS OF THE US\$30M CONVERTIBLE BONDS  
AND  
PROPOSED SPECIFIC MANDATE TO ALLOT AND  
ISSUE ALL THE US\$30M CB CONVERSION SHARES**

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A notice convening the 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 Wednesday, 23 February 2011 at 11:00 a.m. is set out on pages 14 to 16 of this circular. A form of proxy for 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 26th Floor, Tesbury Centre, 28 Queen’s Road East, Wanchai, Hong Kong as soon as possible and 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.

2 February 2011

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# CONTENTS

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	<i>Page</i>
<b>Definitions</b> .....	1
<b>Letter from the Board</b>	
– Introduction .....	5
– The Proposed Alterations .....	6
– Implications under Listing Rules .....	6
– Reason for the Proposed Alterations .....	7
– Effect of the Proposed Alterations .....	7
– Maximum dilution effect of the Proposed Alterations .....	7
– Proposed grant of the Specific Mandate .....	8
– Reason for the Specific Mandate .....	8
– Effect on shareholding structure .....	9
– SGM .....	10
– Recommendation .....	12
– Further information .....	12
<b>Appendix – General Information</b> .....	13
<b>Notice of SGM</b> .....	14

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## DEFINITIONS

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*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 General Mandate
“associates”	have the same meaning as ascribed in the Listing Rules
“Board”	the board of Directors
“BVI”	British Virgin Islands
“Company”	North Asia Resources Holdings Limited, a company incorporated in Bermuda with limited liability, whose shares are listed and traded on the Main Board of the Stock Exchange
“Conversion Price”	US\$30M CB Conversion Price, US\$10M CB Conversion Price and US\$3M CB Conversion Price
“Conversion Shares”	US\$30M CB Conversion Shares, US\$10M CB Conversion Shares and US\$3M CB Conversion Shares
“Director(s)”	director(s) of the Company
“General Mandate”	the general mandate approved at the AGM to grant to the Directors to allot, issue and deal with up to 155,505,465 Shares, being the limit of 20% of the Shares in issue as at the date of the passing of the resolution
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“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

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## DEFINITIONS

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“Latest Practicable Date”	28 January 2011, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“Main Board”	the Main Board of the Stock Exchange
“Preference Shares”	the new class of unlisted non-redeemable convertible preference shares of HK\$0.01 each in the share capital of the Company created, carrying the rights for conversion into Shares
“Proposed Alterations”	the proposed alterations to the terms of the US\$30M Convertible Bonds pursuant to the Supplemental Agreement, details of which are set out in the paragraph headed “The Proposed Alterations”
“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 Wednesday, 23 February 2011 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 14 to 16 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 Shares
“Specific Mandate”	the specific mandate proposed to be granted to the Directors at the SGM to allot, issue and otherwise deal with up to 178,846,153 Shares, being the total number of US\$30M CB Conversion Shares which may be issued upon full exercise of the conversion rights attaching to the US\$30M Convertible Bonds at the Adjusted Conversion Price of HK\$1.30 per US\$30M CB Conversion Share
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

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## DEFINITIONS

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“Supplemental Agreement”	the supplemental agreement dated 29 October 2010 relating to the US\$30M Convertible Bonds for amending certain terms of the US\$30M Convertible Bonds
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“US\$”	United States dollars, the lawful currency of the United States of America
“US\$3M CB Conversion Price”	the initial conversion price of the US\$3M Convertible Bonds of HK\$1.70 per US\$3M CB Conversion Share, subject to adjustments
“US\$10M CB Conversion Price”	the initial conversion price of the US\$10M Convertible Bonds of HK\$1.70 per US\$10M CB Conversion Share, subject to adjustments
“US\$30M CB Conversion Price”	the initial conversion price of the US\$30M Convertible Bonds of HK\$1.70 per US\$30M CB Conversion Share, subject to adjustments
“US\$3M CB Conversion Shares”	the 13,676,470 new Shares to be issued by the Company upon the exercise of the conversion rights attaching to the US\$3M Convertible Bonds, based on the initial conversion price of HK\$1.70 per US\$3M CB Conversion Share
“US\$10M CB Conversion Shares”	the 45,588,235 new Shares to be issued by the Company upon the exercise of the conversion rights attaching to the US\$10M Convertible Bonds, based on the initial conversion price of HK\$1.70 per US\$10M CB Conversion Share
“US\$30M CB Conversion Shares”	the 136,764,705 new Shares to be issued by the Company upon the exercise of the conversion rights attaching to the US\$30M Convertible Bonds, based on the initial conversion price of HK\$1.70 per US\$30M CB Conversion Share
“US\$3M CB Subscriber”	Grandwin Enterprises Limited, a company incorporated under the laws of the BVI

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## DEFINITIONS

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“US\$10M CB Subscriber” or “US\$30M CB Subscriber”	Business Ally Investments Limited, a company incorporated under the laws of the BVI and a wholly-owned subsidiary of CCB International Asset Management Limited
“US\$3M CB Subscription”	the subscription by the US\$30M CB Subscriber for convertible bonds of US\$3,000,000 (“ <b>Tranche 2 CB</b> ”) pursuant to the US\$33M CB Subscription Agreement. The Company has not issued the Tranche 2 CB and the right of the US\$30M CB Subscriber to subscribe for the Tranche 2 CB has lapsed
“US\$30M CB Subscription”	the subscription by the US\$30M CB Subscriber for the US\$30M Convertible Bonds pursuant to the US\$33M CB Subscription Agreement
“US\$33M CB Subscription Agreement”	the subscription agreement dated 8 September 2010 entered into between the Company and the US\$30M CB Subscriber in respect of the US\$30M CB Subscription and the US\$3M CB Subscription
“US\$3M Convertible Bonds”	the convertible bonds in the sum of US\$3,000,000 issued by the Company to the US\$3M CB Subscriber on 12 November 2010
“US\$10M Convertible Bonds”	the convertible bonds in the sum of US\$10,000,000 issued by the Company to the US\$10M CB Subscriber on 12 November 2010
“US\$30M Convertible Bonds”	the convertible bonds in the sum of US\$30,000,000 issued by the Company to the US\$30M CB Subscriber on 14 September 2010
“%”	per cent.

*Unless the context requires otherwise, the conversion of US\$ into HK\$ is based on the exchange rate of US\$1 = HK\$7.75. Such conversion should not be construed as a representation that the amount in question has been, could have been or could be converted at any particular rate at all.*

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## LETTER FROM THE BOARD

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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)**

*Executive Directors:*

Mr. Tse Michael Nam

Mr. Yang Xiaoqi

*Non-executive Director:*

Mr. Wu Chi Chiu

*Independent non-executive Directors:*

Mr. Lim Yew Kong, John

Mr. Mak Ping Leung

Mr. Leung Po Wing, Bowen Joseph, *GBS, JP*

*Registered office:*

Clarendon House

2 Church Street

Hamilton HM 11

Bermuda

*Head office and principal place  
of business:*

Units 2001-2, 20th Floor

Li Po Chun Chambers

189 Des Voeux Road Central

Hong Kong

2 February 2011

*To the Shareholders*

Dear Sir/Madam,

### **ALTERATIONS TO THE TERMS OF THE US\$30M CONVERTIBLE BONDS AND PROPOSED SPECIFIC MANDATE TO ALLOT AND ISSUE ALL THE US\$30M CB CONVERSION SHARES**

#### **INTRODUCTION**

The purpose of this circular is to provide you with information relating to (i) the proposed alterations to the terms of the US\$30M Convertible Bonds; (ii) the proposed grant of the Specific Mandate; and (iii) the notice convening the SGM.

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## LETTER FROM THE BOARD

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### THE PROPOSED ALTERATIONS

As disclosed in the announcement of the Company dated 29 October 2010, on 29 October 2010, the Company and the US\$30M CB Subscriber entered into the Supplemental Agreement to amend the adjustment mechanism to the US\$30M CB Conversion Price and to share the security for the US\$30M Convertible Bonds, namely a share charge executed by North Asia Resources Group Limited (“NARG”) (as the chargor) in favour of the US\$30M CB Subscriber (as the chargee) over the entire issued shares of Green Paradise Enterprises Ltd. (“Green Paradise”) on 8 September 2010, with the US\$10M Convertible Bonds and the US\$3M Convertible Bonds. Green Paradise is wholly and beneficially owned by NARG which, in turn, is wholly and beneficially owned by the Company. In addition to the then existing adjustment mechanism under the terms and conditions of the US\$30M Convertible Bonds, the US\$30M CB Conversion Price will also be adjusted upon occurrence of the following event:–

*“If the average closing price of one Share on the Stock Exchange (the “Year-end-month Average Closing Price”) as quoted in the official daily quotation sheet of the Stock Exchange (or the equivalent) for all the Stock Exchange dealing days on which dealings in the Shares on the Stock Exchange took place during the month in which the financial year-end day of the Issuer falls (the “Year-end-month”) in any calendar year plus a premium of 15% thereof is lower than the applicable Conversion Price in force, the Conversion Price shall be adjusted to become equivalent to such Year-end-month Average Closing Price plus a premium of 15% thereof. (the “Adjustment”)*

*Such adjustment shall become effective on the day next following the last dealing day of the Stock Exchange in the relevant Year-end-month.”*

### IMPLICATIONS UNDER LISTING RULES

According to Rule 28.05 of the Listing Rules, any alterations in the terms of convertible debt securities after issue must be approved by the Stock Exchange, except where the alterations take effect automatically under the existing terms of such convertible debt securities.

As the Proposed Alterations are material changes in terms of the US\$30M Convertible Bonds, they must be approved by the Stock Exchange and Shareholders’ approval is required.

In this regard, the Company will put forward the proposal to the Independent Shareholders at the SGM the necessary resolutions to approve the Proposed Alterations and the transactions contemplated thereunder.

An application will be made by the Company to the Stock Exchange for (i) the approval of the alterations in the terms of the US\$30M Convertible Bonds pursuant to the Supplemental Agreement; and (ii) the listing of, and the permission to deal in, all the US\$30M CB Conversion Shares.

Besides the Independent Shareholders’ approval and listing approval, there are no other conditions for the Specific Mandate and the Proposed Alterations.

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## LETTER FROM THE BOARD

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### REASON FOR THE PROPOSED ALTERATIONS

The mechanism of the Adjustment is for risk management purpose and to protect the interest of the US\$30M CB Subscriber in case of depreciation of the market price of the Shares. The Adjustment is resulted from arm's length commercial negotiation between the Company and the US\$30M CB Subscriber and the Board is of the view that it is a fair and reasonable price adjustment mechanism and such kind of price adjustment mechanism is also fairly common in other convertible bonds in the market. The Board therefore considers that the Proposed Alterations are in the interests of the Company and the Shareholders as a whole.

### EFFECT OF THE PROPOSED ALTERATIONS

The Year-end-month Average Closing Price as quoted in the official daily quotation sheet of the Stock Exchange for all the Stock Exchange dealing days on which dealings in the Shares on the Stock Exchange took place during the Year-end-month (that is, December) in the year 2010 was HK\$1.13 per Share and such Year-end-month Average Closing Price plus a premium of 15% thereof is HK\$1.30 per US\$30M CB Conversion Share and is lower than the applicable US\$30M CB Conversion Price of HK\$1.70 per US\$30M CB Conversion Share in force.

Therefore, the applicable US\$30M CB Conversion Price would be adjusted to HK\$1.30 per US\$30M CB Conversion Share (the "**Adjusted Conversion Price**") with effect from 3 January 2011 if the Proposed Alterations are approved by the Shareholders at the SGM and the Stock Exchange.

The terms and conditions of the US\$3M Convertible Bonds and the US\$10M Convertible Bonds contain similar adjustment mechanism, and the US\$3M CB Conversion Price and the US\$10M CB Conversion Price are subject to the Adjustment.

The Adjustment is annually adjusted in the Year-end-month and will have continuing effect on the US\$30M Convertible Bonds, the US\$10M Convertible Bonds and the US\$3M Convertible Bonds and the number of the US\$30M CB Conversion Shares, the US\$10M CB Conversion Shares and the US\$3M CB Conversion Shares to be issued may increase due to the Adjustment.

### MAXIMUM DILUTION EFFECT OF THE PROPOSED ALTERATIONS

Theoretically, under the amended terms and conditions of the US\$30M Convertible Bonds and pursuant to the Adjustment, the US\$30M CB Conversion Price could be adjusted to equal to the nominal value of one Share (i.e. HK\$0.01) and 23,250,000,000 US\$30M CB Conversion Shares (equivalent to approximately 2,731% of the Company's total number of 851,390,960 issued Shares as at the Latest Practicable Date and approximately 96.47% of the Company's total issued Shares as enlarged by such issue of US\$30M CB Conversion Shares) may be issued upon full exercise of the conversion rights attaching to the US\$30M Convertible Bonds. However, the Board considers that such event would only happen in very extreme market condition and the possibility for that to happen is very slim.

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## LETTER FROM THE BOARD

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### PROPOSED GRANT OF THE SPECIFIC MANDATE

At the SGM, an ordinary resolution will also be proposed to the Independent Shareholders to grant to the Directors the Specific Mandate to allot and issue all the US\$30M CB Conversion Shares at the Adjusted Conversion Price (i.e. 178,846,153 Conversion Shares) which may be issued upon full exercise of the conversion rights attaching to the US\$30M Convertible Bonds.

### REASON FOR THE SPECIFIC MANDATE

Based on the Adjusted Conversion Price of HK\$1.30 per US\$30M CB Conversion Share, there will be in total 178,846,153 US\$30M CB Conversion Shares to be issued upon full exercise of the conversion rights attaching to the US\$30M Convertible Bonds. Therefore, the total number of US\$30M CB Conversion Shares to be issued under the US\$30M Convertible Bonds would have exceeded the General Mandate. As a result, the listing approval granted by the Stock Exchange on 13 September 2010 for the listing of, and permission to deal in, the US\$30M CB Conversion Shares has ceased to be in effect.

As at the Latest Practicable Date, no US\$30M CB Conversion Share has been issued pursuant to the US\$30M Convertible Bonds.

The reason for the Specific Mandate to be based upon the Adjusted Conversion Price is that the Board considers that it is inappropriate for the Company to predict what will be the share price of the Company in the December of 2011 and 2012 at this moment and it would send a wrong message to the market if the Company does so.

In the event that there will be a further Adjustment in 2011 or 2012 (which means the Conversion Price will be lowered and number of Conversion Shares to be issued will be increased and exceeds the then existing specific mandate), the Company will take into account the Year-end-month Average Closing Price in 2011 or 2012 to calculate the actual number of Conversion Shares to be issued after further Adjustment. The Company will then convene further general meeting(s) in January of the next year so that the Shareholders will be given the opportunity to decide again (by reference to the then market condition) whether they approve such further Adjustment; thus, the Shareholders' interest will be protected.

In view of the aforesaid, the Directors consider the grant of the Specific Mandate is necessary for the Company to fulfill its obligations under the US\$30M Convertible Bonds (as amended pursuant to the Supplemental Agreement) and is in the best interests of the Company and the Shareholders as a whole.

# LETTER FROM THE BOARD

## EFFECT ON SHAREHOLDING STRUCTURE

The shareholding structure of the Company (i) as at the Latest Practicable Date, (ii) upon full conversion of the US\$30M CB Conversion Shares at the Adjusted Conversion Price, (iii) upon full conversion of the US\$30M CB Conversion Shares, the US\$10M CB Conversion Shares and the US\$3M CB Conversion Shares at the Adjusted Conversion Price, and (iv) upon full conversion of other convertible equity and/or debt securities (including options) of the Company are shown as follows:

	As at the Latest Practicable Date		Immediately after full conversion of the US\$30M CB Conversion Shares at the Adjusted Conversion Price (note 5a)		Immediately after full conversion of the US\$30M CB Conversion Shares, the US\$10M CB Conversion Shares and the US\$3M CB Conversion Shares at the Adjusted Conversion Price (note 5b)		Immediately after full conversion of other convertible equity and/or debt securities (including options) of the Company (notes 6, 7a and 7b)	
	Number of Shares	Approx. %	Number of Shares	Approx. %	Number of Shares	Approx. %	Number of Shares	Approx. %
Great Metal Group Limited ("Great Metal") (note 1)	50,690,000	5.95	50,690,000	4.92	50,690,000	4.58	50,690,000	1.33
Ultra Asset International Ltd. ("Ultra Asset") (note 2)	70,820,000	8.32	70,820,000	6.87	70,820,000	6.39	858,888,636	22.62
						(note 9)		
Mountain Sky Resources (Mongolia) Limited ("Mountain Sky") (note 3)	155,350,000	18.25	155,350,000	15.08	155,350,000	14.02	1,861,017,472	49.00
						(note 9)		
The US\$30M CB Subscriber (note 4)	0	0	178,846,153	17.36	178,846,153	16.15	178,846,153	4.71
						(note 9)		
The US\$10M CB Subscriber (note 4)	0	0	0	0	59,615,384	5.38	59,615,384	1.57
						(note 9)		
<b>Sub-total</b>	<b>276,860,000</b>	<b>32.52</b>	<b>455,706,153</b>	<b>44.23</b>	<b>515,321,537</b>	<b>46.52</b>	<b>3,009,057,645</b>	<b>79.23</b>
<b>Public Shareholders</b>								
The US\$3M CB Subscriber	0	0	0	0	17,884,615	1.61	17,884,615	0.47
Other public Shareholders	574,530,960	67.48	574,530,960	55.77	574,530,960	51.87	770,807,334	20.30
								(note 8)
<b>Sub-total</b>	<b>574,530,960</b>	<b>67.48</b>	<b>574,530,960</b>	<b>55.77</b>	<b>592,415,575</b>	<b>53.48</b>	<b>788,691,949</b>	<b>20.77</b>
								(note 8)
<b>Total</b>	<b>851,390,960</b>	<b>100</b>	<b>1,030,237,113</b>	<b>100</b>	<b>1,107,737,112</b>	<b>100</b>	<b>3,797,749,594</b>	<b>100</b>

**Notes:**

- Great Metal is wholly and beneficially owned by China Railway Mongolia Investment LLC.
- 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. Ultra Asset holds 693,500,400 Preference Shares.

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## LETTER FROM THE BOARD

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3. Mountain Sky is beneficially owned as to (i) 81.19% by Ultra Asset, and (ii) 18.81% by Mountain Sky Resources Holdings Limited (“**Mountain Sky Holdings**”). Mountain Sky Holdings is beneficially owned as to 40% by Mr. Chan Kwan Hung, 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 Jun Chih, Joseph. Mountain Sky holds 1,500,987,376 Preference Shares.
4. Both the US\$10M CB Subscriber and the US\$30M CB Subscriber are Business Ally Investments Limited.
- 5a. The number of the US\$30M CB Conversion Shares to be issued is based on the Adjusted Conversion Price of HK\$1.30 per Conversion Share.
- 5b. The number of the US\$30M CB Conversion Shares, the US\$10M CB Conversion Shares and the US\$3M CB Conversion Shares to be issued are based on the Adjusted Conversion Price of HK\$1.30 per Conversion Share.
6. As at the Latest Practicable Date, there were 32,387,029 share options in issue.
- 7a. As at the Latest Practicable Date, there were 2,338,710,400 Preference Shares in issue.
- 7b. The conversion ratio of Preference Shares to Shares is 1:1.13636363636.
8. There are restrictions in the conversion of the Preference Shares. Under the terms of the Preference Shares, Preference Shares are convertible into Shares provided that (i) any conversion of the Preference Shares shall not trigger a mandatory offer obligation under Rule 26 of the Takeovers Code on the part of the holders of the 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 Preference Shares shall not be more than 29.99% of the then issued ordinary share capital of the Company on a fully diluted basis; (iii) the number of conversion shares to be allotted and issued to any holder of the Preference Shares shall not result in the aggregate holding by such holder of the Preference Shares to exceed 19.99% of the then issued ordinary share capital of the Company on a fully diluted basis; and (iv) the public float of the Shares shall not be less than 25% of the Shares at any one time in compliance with the Listing Rules.
9. If the shareholding of the Company held by (i) Ultra Asset and Mountain Sky, or (ii) the US\$30M CB Subscriber and the US\$10M CB Subscriber, or (iii) Ultra Asset, Mountain Sky, the US\$30M CB Subscriber and the US\$10M CB Subscriber together with their respective parties acting in concert triggers a mandatory offer obligation under Rule 26 of the Takeovers Code, the Company will ensure that the relevant rules under the Takeovers Code will be complied with.

### SGM

Pursuant to the Listing Rules, the Proposed Alterations and the Specific Mandate require 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.

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## LETTER FROM THE BOARD

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Pursuant to the US\$33M CB Subscription Agreement and as a security for the US\$30M Convertible Bonds, on 8 September 2010, Mountain Sky as chargor and the US\$30M CB Subscriber as chargee have entered into a Deed of Share Charge on certain Preference Shares issued by the Company. As at the Latest Practicable Date, Mountain Sky held 155,350,000 Shares (representing approximately 18.25% of the issued share capital of the Company) and Ultra Asset held 70,820,000 Shares (representing approximately 8.32% of the issued share capital of the Company). Mountain Sky is beneficially owned as to 81.19% by Ultra Asset. Therefore, Mountain Sky, Ultra Asset and their respective associates shall abstain from voting at the SGM.

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. Mr. Tse shall abstain from voting (by virtue of the Shares held by him and to the extent that Mr. Tse has converted any of his share options prior to the date of the SGM) on the resolutions to approve the Proposed Alterations and the Specific Mandate at the SGM.

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.

To the best of the Directors’ knowledge, information and belief, save for Mountain Sky, Ultra Asset, Mr. Tse and their respective associates, none of the other Shareholders have any material interests in the transactions contemplated under the Proposed Alterations and the Specific Mandate who will be required to abstain from voting on the resolutions to approve the Proposed Alterations and the Specific Mandate at the SGM. To the extent if the US\$10M CB Subscriber converts the US\$10M Convertible Bonds prior to the date of the SGM, the US\$10M CB Subscriber shall abstain from voting on the resolutions to approve the Proposed Alterations and the Specific Mandate at the SGM.

Any vote of the Independent Shareholders at the SGM will be taken by poll for resolutions in relation to the granting of the Specific Mandate and the Proposed Alterations.

The notice convening the SGM is set out on pages 14 to 16 of this circular. At the SGM, ordinary resolutions will be proposed to (i) approve and ratify the Proposed Alterations, and (ii) approve the proposed grant of the Specific Mandate. Whether or not you are able to attend the meeting in person, you are requested to complete and return the accompanying form of proxy 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 26th Floor, 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 return of the form of proxy will not preclude you from attending and voting in person at the SGM or any adjourned meeting if you so wish.

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## LETTER FROM THE BOARD

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### RECOMMENDATION

The Board believes that the Proposed Alterations and the Specific Mandate are in the interests of the Company and the Shareholders as a whole and recommends the Shareholders to vote in favour of the resolutions to be proposed at the SGM.

### FURTHER INFORMATION

Your attention is drawn to the information set out in the appendix to this circular.

Yours faithfully,  
For and on behalf of the Board of  
**North Asia Resources Holdings Limited**  
**Tse Michael Nam**  
*Executive Director*

**1. 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.

**2. MISCELLANEOUS**

- (a) The registered office of the Company is located at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda.
- (b) The head office and principal place of business of the Company in Hong Kong is located at Units 2001-2, 20th Floor, Li Po Chun Chambers, 189 Des Voeux Road Central, Hong Kong.
- (c) The Company Secretary of the Company is Ms. Kwok Mei Fan, who is an associate member of both The Institute of Chartered Secretaries and Administrators and The Hong Kong Institute of Chartered Secretaries.
- (d) The Hong Kong branch share registrar and transfer office of the Company is Tricor Tengis Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong.
- (e) In the event of inconsistency, the English text of this circular and the accompanying form of proxy shall prevail over their respective Chinese version.

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## NOTICE OF SGM

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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)**

**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 Wednesday, 23 February 2011 at 11:00 a.m. for the purpose of considering and, if thought fit, passing with or without amendments, the following resolutions:–

### ORDINARY RESOLUTIONS

1. **“THAT:**

- (a) the supplemental agreement dated 29 October 2010 entered into between the Company and Business Ally Investments Limited (the “**Supplemental Agreement**”) in relation to the convertible bonds in the sum of US\$30,000,000 issued by the Company to Business Ally Investments Limited on 14 September 2010 (“**US\$30M Convertible Bonds**”), a copy of the Supplemental Agreement marked “A” has been produced to the meeting and signed by the Chairman of the meeting for the purpose of identification, be and is hereby approved, ratified and confirmed; and
- (b) the directors of the Company (the “**Directors**”) be and are hereby authorized to take all actions and sign, execute and deliver all such agreements, deeds and documents for and on behalf of the Company as the Directors may consider necessary or desirable for the purpose of effecting or implementing the Supplemental Agreement”; and

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2. “**THAT**, the Directors be and are hereby authorized, as a specific mandate, to allot, issue and otherwise deal with up to 178,846,153 ordinary shares of HK\$0.01 each in the share capital of the Company, being the total number of conversion shares which may be issued by the Company upon full exercise of the conversion rights attaching to the US\$30M Convertible Bonds based on the adjusted conversion price of HK\$1.30 per conversion share.”

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

Hong Kong, 2 February 2011

*Registered Office:*

Clarendon House,  
2 Church Street,  
Hamilton HM 11,  
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

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*Notes:*

1. A member who is entitled to attend and vote at the meeting convened by the above notice and is the holder of two or more shares of the Company may appoint one or more proxy to attend and, subject to the provisions of the by-laws of the Company, vote in his stead. A proxy need not be a member of the Company. If more than one proxy is so appointed, the appointment shall specify the number and class of shares in respect of which each such proxy is so appointed.
2. To be valid, the form of proxy together with any power of attorney or other authority (if any) under which it is signed or a certified copy thereof, must be deposited at the offices of the branch share registrar of the Company in Hong Kong, Tricor Tengis Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong for registration by not less than 48 hours before the time appointed for holding the above meeting or any adjournment thereof.
3. Delivery of an instrument appointing a proxy will not preclude a member from attending and voting in person at the above meeting or any adjournment thereof and in such event, the instrument appointing a proxy shall be deemed to be revoked.
4. In the case of joint holders of a share, any one of such joint holders may vote, either in person or by proxy, in respect of such share as if he/she were solely entitled thereto; but if more than one of such joint holders are present at the above meeting, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint registered holder(s). For this purpose, seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the joint holding.