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If you have sold or transferred all your shares in North Asia Resources Holdings Limited, 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)

ALTERATION OF THE TERMS OF THE US\$30M CONVERTIBLE BONDS AND SPECIFIC MANDATE FOR THE ADDITIONAL CONVERSION SHARES

A notice convening the SGM to be held at Units 2001-2, 20th Floor, Li Po Chun Chambers, 189 Des Voeux Road Central, Hong Kong at 11:00 a.m. on Thursday, 23 February 2012 is set out on pages 18 to 20 of this circular. A form of proxy for use at the SGM is enclosed with this circular. Such form of proxy is also published on the website of The Stock Exchange of Hong Kong Limited at www.hkex.com.hk.

Whether or not you are able to attend the SGM, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and deposit the same at the Company's Hong Kong branch share registrar, 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 adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the SGM or any adjournment thereof should you so wish.

8 February 2012

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DEFINITIONS

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

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|---|---|
| “Additional Conversion Shares” | such additional Conversion Shares to be allotted and issued upon conversion of the US\$30M Convertible Bonds as a result of the adjustment to the Conversion Price as at 3 January 2012 and any subsequent adjustments to the Conversion Price in accordance with the terms and conditions of the US\$30M Convertible Bonds on or before the maturity date of the US\$30M Convertible Bonds |
| “Additional Charge on Preference Shares” | the additional charge on Preference Shares to be executed by Mountain Sky to charge the remaining Preference Shares registered under its name (being 986,054,490 Preference Shares) in favour of the Bondholder |
| “Board” | the board of Directors |
| “Bondholder”, “Subscriber” or “Business Ally” | Business Ally Investments Limited, the holder of the US\$30M Convertible Bonds |
| “BVI” | the British Virgin Islands |
| “Bye-laws” | the bye-laws of the Company |
| “Charge on Preference Shares” | the share charge executed by Mountain Sky (as the chargor) in favour of the Subscriber (as the chargee) over certain number of the Preference Shares |
| “Charge on Shares” | the charge on Shares to be executed by Mountain Sky to charge all shares of the Company registered under its name (being 155,350,000 Shares) |
| “Company” | North Asia Resources Holdings Limited, a company incorporated in Bermuda with limited liability and the issued Shares of which are listed on main board of the Stock Exchange |

DEFINITIONS

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|---------------------------|--|
| “connected persons” | has the meaning ascribed to this term under the Listing Rules |
| “Conversion Price” | the conversion price of the US\$30M Convertible Bonds (subject to adjustment for subdivision or consolidation of Shares, capitalization of profits or reserves, rights issue, capital distributions in cash or specie and other usual dilutive events in accordance with the terms of the US\$30M Convertible Bonds) |
| “Conversion Shares” | new Shares to be allotted and issued upon conversion of the US\$30M Convertible Bonds |
| “Director(s)” | the director(s) of the Company |
| “Green Paradise” | Green Paradise Enterprises Ltd., a company incorporated under the laws of the BVI and is wholly owned by North Asia Resources Group Limited, a wholly owned subsidiary of the Company |
| “Group” | the Company and its subsidiaries |
| “Hong Kong” | The Hong Kong Special Administrative Region of the PRC |
| “Independent Third Party” | any person or company(ies) and their respective ultimate beneficial owner(s) which, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, are third parties independent of the Company and its connected persons |
| “Latest Practicable Date” | 2 February 2012, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained in this circular |
| “Listing Rules” | the Rules Governing the Listing of Securities on the Stock Exchange |

DEFINITIONS

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| “Major Assets Acquisition and/or Disposition” | (i) the Company (directly or indirectly) acquires any asset, the value of which exceeds HK\$100,000,000; or (ii) the Company (directly or indirectly) disposes any asset which is not in the ordinary course of business, the value of such asset exceeds HK\$100,000,000 |
| “Major Assets Acquisition and/or Disposition Put Date” | the fourteenth (14th) day after the submission of the Major Assets Acquisition and/or Disposition put exercise notice, which shall be completed and deposited by the Bondholder to the Company not later than the 30th day following the date of completion of a Major Assets Acquisition and/or Disposition. |
| “Mountain Sky” | Mountain Sky Resources (Mongolia) Limited, a company incorporated in the BVI and a substantial Shareholder of the Company |
| “Preference Shares” | the un-listed non-redeemable convertible preference shares issued by the Company and convertible into Shares |
| “Proposed Alteration” | the proposed alteration of certain terms and conditions of the US\$30M Convertible Bonds as contemplated under the Second Supplemental Agreement |
| “Second Supplemental Agreement” | the second supplemental agreement dated 6 January 2012 entered into between the Company and the Bondholder in relation to the Proposed Alteration |
| “SGM” | the special general meeting of the Company to be held and convened for the purpose of considering and, if thought fit, approving the Proposed Alteration, the Specific Mandate and the transactions contemplated thereunder |
| “Share(s)” | ordinary share(s) of HK\$0.01 each in the capital of the Company |
| “Shareholder(s)” | holder(s) of the issued Share(s) |

DEFINITIONS

| | |
|-----------------------------|--|
| “Share Charge” | the share charge executed by North Asia Resources Group Limited (as the chargor) in favour of Business Ally (as the chargee) over the entire issued shares of Green Paradise |
| “Specific Mandate” | the specific mandate to be sought at the SGM in relation to the allotment and issue of the Additional Conversion Shares as a result of the adjustment to the Conversion Price as at 3 January 2012 and any subsequent adjustments to the Conversion Price in accordance with the terms and conditions of the US\$30M Convertible Bonds |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “US\$10M Convertible Bonds” | the convertible bonds with principal amount of US\$10,000,000 issued by the Company to the Bondholder on 12 November 2010, details of which are set out in the announcement of the Company dated 29 October 2010 |
| “US\$30M Convertible Bonds” | the convertible bonds with principal amount of US\$30,000,000 issued by the Company to the Bondholder on 14 September 2010, details of which is set out in the announcement of the Company dated 8 September 2010 |
| “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. Tse Michael Nam

(Chairman and Acting Chief Executive Officer)

Mr. Yang Xiaoqi

Non-executive Director:

Mr. Wu Chi Chiu *(Deputy Chairman)*

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 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

8 February 2012

To the Shareholders

Dear Sir or Madam,

ALTERATION OF THE TERMS OF THE US\$30M CONVERTIBLE BONDS AND

SPECIFIC MANDATE FOR THE ADDITIONAL CONVERSION SHARES

INTRODUCTION

Reference is made to the announcement of the Company dated 6 January 2012 in relation to, among others, the Proposed Alteration of the terms of the US\$30M Convertible Bonds and the Specific Mandate for the issue and allotment of the Additional Conversion Shares.

LETTER FROM THE BOARD

The purpose of this circular is to give (i) details of the Proposed Alteration; (ii) information in relation to the Specific Mandate; and (iii) notice convening the SGM to approve the Proposed Alteration and the Specific Mandate.

RELEVANT BACKGROUND OF THE US\$30M CONVERTIBLE BONDS

By a subscription agreement dated 8 September 2010 (the “**September Subscription Agreement**”) (as amended and supplemented by a supplemental letter dated 21 September 2010 and further amended by a supplemental agreement dated 29 October 2010) entered into between the Company and Business Ally, the Company agreed to issue, and Business Ally agreed to subscribe, on and subject to the terms and conditions set out in the September Subscription Agreement, for up to US\$33,000,000 in aggregate principal amount of 8.0% per annum coupon rate secured convertible bonds due 2013 in two (2) tranches, convertible into fully paid ordinary shares of HK\$0.01 each in the capital of the Company. Business Ally completed the subscription of the US\$30M Convertible Bonds on 14 September 2010 and elected not to subscribe for the US\$3,000,000 convertible bonds under the September Subscription Agreement. The US\$30M Convertible Bonds were issued on 14 September 2010. Please refer to the announcement of the Company dated 8 September 2010 and the circular of the Company dated 2 February 2011 for further details.

As disclosed in the announcement of the Company dated 29 October 2010, the Company and Business Ally entered into the Supplemental Agreement to amend the adjustment mechanism to the Conversion Price of the US\$30M Convertible Bonds and to share the security for the US\$30M Convertible Bonds. By the subscription agreement dated 29 October 2010 (as amended and supplemented by a supplemental agreement dated 3 November 2010) (the “**October Subscription Agreement**”) entered into between the Company and Business Ally, the Company agreed to issue, and Business Ally agreed to subscribe, on and subject to the terms and conditions set out in the October Subscription Agreement, for the US\$10M Convertible Bonds. The US\$10M Convertible Bonds were issued on 12 November 2010. For further details, please refer to the announcement of the Company dated 29 October 2010.

As disclosed in the announcement dated 15 December 2011, the Company has fully redeemed the US\$10M Convertible Bonds on 15 December 2011 and was in the course of negotiations with Business Ally in relation to the US\$30M Convertible Bonds, which resulted in the entering into of the Second Supplemental Agreement as detailed below.

LETTER FROM THE BOARD

Reference is also made to the announcement of the Company dated 3 January 2012 in relation to the adjustment to the Conversion Price from HK\$1.30 to HK\$0.27 per Conversion Share. The Company will seek the Specific Mandate at the SGM for the Additional Conversion Shares.

THE PROPOSED ALTERATION

The Company announced that on 6 January 2012 after trading hours, the Company and Business Ally have entered into the Second Supplemental Agreement in relation to, among others, the Proposed Alteration of certain terms and conditions of the US\$30M Convertible Bonds.

Date: 6 January 2012 (after trading hours)

Parties: The Company

Business Ally as the holder of the US\$30M Convertible Bonds

As at the Latest Practicable Date, to the best of the Directors' knowledge, information and belief having made all reasonable enquiry, the Bondholder and its ultimate beneficial owner(s) were Independent Third Parties.

Proposed Alteration

Subject to the terms and conditions of the Second Supplemental Agreement, the Company and the Bondholder agreed to alter the terms of the US\$30M Convertible Bonds as follows:

| | Existing Terms | Amendments |
|---|---|--|
| Maturity Date | The third anniversary of the date of issue of the US\$30M Convertible Bonds, i.e. 14 September 2013 | 13 December 2012 |
| Negative pledge and security | The US\$30M Convertible Bonds are secured by the Charge on Preference Shares and the Share Charge on a first priority basis | The US\$30M Convertible Bonds are secured by the Charge on Preference Shares and the Share Charge on a first priority basis and also the Additional Charge on Preference Shares and the Charge on Shares |
| Redemption as a result of a Major Assets Acquisition and/or Disposition | There is no provisions governing the redemption as a result of a Major Assets Acquisition and/or Disposition | With respect to a Major Assets Acquisition and/or Disposition, each Bondholder will have the right (at its sole discretion) to require the Company to redeem in full (or in part) the US\$30M Convertible Bonds held by it on the Major Assets Acquisition and/or Disposition Put Date plus any accrued but unpaid interest thereon. |

LETTER FROM THE BOARD

Existing Terms

Amendments

A “**Major Assets Acquisition and/or Disposition**” means:

- (i) the Company (directly or indirectly) acquires any asset, the value of which exceeds HK\$100,000,000; or
- (ii) the Company (directly or indirectly) disposes any asset which is not in the ordinary course of business, the value of such asset exceeds HK\$100,000,000.

In the event of any redemption of the US\$30M Convertible Bonds by the Bondholder prior to the maturity date as a result of redemption as a result of Major Assets Acquisition and/or Disposition, interest (which shall include all interest previously paid to the Bondholder) shall be calculated at the rate of 18% per annum on the outstanding principal amount of the US\$30M Convertible Bonds from the issue date up to the date of actual redemption.

Redemption upon Change of Control

Change of control shall occur when:

Change of control shall occur when:

- (a) any new shareholder of the Company holding 30% or above of the voting rights of the Company; or
- (b) Mr. King Jun Chih Joseph ceases to be an executive director of the Company

- (a) any new shareholder of the Company holding 30% or above of the voting rights of the Company unless the change is as a result of any acquisition by the Company of any asset, the value of which exceeds HK\$100,000,000; or
- (b) there is any change in the ultimate beneficial ownership (up to individual level) of any corporate shareholder of the Company which holds 30% or above of the voting rights of the Company, unless the change in the ultimate beneficial ownership to individual level of any corporate shareholder is as a result of any acquisition by the Company of any asset, the value of which exceeds HK\$100,000,000.

Guaranteed Return

There is no provision for guaranteed return.

If any of the following events occurs on or after 15 December 2011, the Bondholder shall have the right to issue a written notice to the Company to request for repayment of all outstanding principal amount under the US\$30M Convertible Bonds together with the Guaranteed Return (as defined below):

- (a) the Company fails to pay any interest accrued on each interest payment date; or
- (b) the Company fails to redeem any Bonds pursuant to the terms of the US\$30M Convertible Bonds; or

LETTER FROM THE BOARD

Existing Terms

Amendments

- (c) so long as any principal amount under the US\$30M Convertible Bonds remains outstanding, the Company fails to maintain the net asset value of the Group (as shown in the audited consolidated financial statements of the Group) at HK\$300,000,000 or above; or
- (d) the aggregate market value of: (i) the Preference Shares charged for the security of the US\$30M Convertible Bonds (including the Preference Shares charged under the Additional Charge on Preference Shares), calculated with reference to the closing price of the shares of the Company quoted on daily quotation sheets of the Stock Exchange, (ii) the charged shares of Green Paradise (the market value of which is with reference to the net asset value of Green Paradise as shown on the audited financial statements of Green Paradise) and the mines located in Oyut Ovoo (the “**Oyut Ovoo Mine**”) held by the Group (the market value of which is with reference to the fair value of the mines conducted by valuator for each financial year of the Group); (iii) the Shares charged pursuant to Charge on Shares, calculated with reference to the closing price quoted on daily quotation sheets of the Stock Exchange, is less than three (3) times of the Subscription Amount and interest accrued but unpaid; or
- (e) any direct or indirect disposal of the Oyut Ovoo Mine held by the Group to any third parties without any prior written consent by the Bondholder provided that in the event that the Company has entered into definitive documents or agreements for the acquisition of mines or other assets, the valuation of such mines or other assets as shown in the valuation report issued by an independent valuator appointed by the Company and acceptable by the Stock Exchange is not less than the market value of the Oyut Ovoo Mine to be disposed, the Bondholder shall deem to have given their consents and the Bondholder shall still be entitled to exercise their right under redemption for Change of Control if and only if such acquisition will cause Change of Control (as defined in the US\$30M Convertible Bonds).

“**Guaranteed Return**” means a gross return of 25% per annum calculated on the Subscription Amount (which shall include all interest previously paid to the Bondholder)

LETTER FROM THE BOARD

Green Paradise is an indirect wholly owned subsidiary of the Company and is principally engaged in investment holding. Green Paradise is interested in 99.99% equity interest of Golden Pogada LLC which in turn holds the Oyut Ovoo Mine located in Mongolia. As disclosed in the announcement of the Company dated 8 September 2010 and the circular of the Company dated 2 February 2011, North Asia Resources Group Limited, a wholly owned subsidiary of the Company which holds the entire issued share capital of Green Paradise, has executed the Share Charge in favour of Business Ally (as the chargee) over the entire issued shares of Green Paradise.

As disclosed in the announcement of the Company dated 8 September 2010 and the circular of the Company dated 2 February 2011, pursuant to the September Subscription Agreement and as a security for the US\$30M Convertible Bonds, on 8 September 2010, Mountain Sky as chargor and the US\$30M Convertible Bonds Subscriber as chargee have entered into the Charge on Preference Share to charge certain Preference Shares issued by the Company in favour of the Bondholder.

For the avoidance of doubt, the Guaranteed Return is a new term for the US\$30M Convertible Bonds under the Second Supplemental Agreement and as such, will only apply to any events that occur after 15 December 2011. The Company has not received any written notice from the Bondholder to request for repayment for the period from 15 December 2011 up to the Latest Practicable Date.

Apart from the Proposed Alteration, the remaining material terms and conditions of the US\$30M Convertible Bonds remain intact and unchanged.

Conditions of the Proposed Alteration

The Second Supplemental Agreement and the amendment to the September Subscription Agreement and the terms and conditions of the US\$30M Convertible Bonds contemplated under the Second Supplemental Agreement shall be conditional and take effect upon:–

- (a) Mountain Sky shall have charged all Preference Shares registered under its name and shall have executed under seal and delivered to the Subscriber the charge on Preference Shares (the “**Additional Charge on Preference Shares**”) to charge the remaining Preference Shares registered under its name (being 986,054,490 Preference Shares) in favour of the Bondholder, lodged all relevant documents for registration in relation to the Additional Charge on Preference Shares under the laws of the BVI and delivered to the Bondholder a legal opinion confirming the due execution of the Additional Charge on Preference Shares by Mountain Sky, issued by lawyers qualified to practise the laws of BVI in relation to the Additional Charge on Preference Shares;

LETTER FROM THE BOARD

- (b) Mountain Sky shall have executed under seal and delivered to the Subscriber the charge on Shares (the “**Charge on Shares**”) to charge all shares of the Company registered under its name (being 155,350,000 Shares) in favour of the Bondholder, lodged all relevant documents for registration in relation to the Charge on Shares under the laws of BVI and delivered to the Bondholder a legal opinion confirming the due execution of the Charge on Shares by Mountain Sky, issued by lawyers qualified to practise the laws of BVI in relation to the Charge on Shares;
- (c) the passing of the ordinary resolution(s) by the Shareholders of the Company who are entitled to vote and not required to be abstained from voting under the Listing Rules in relation to the amendments made to the US\$30M Convertible Bonds as set out in the Second Supplemental Agreement;
- (d) the obtaining of the approval from the Stock Exchange in relation to the amendment made to the US\$30M Convertible Bonds as set out in the Second Supplemental Agreement; and
- (e) the obtaining of all necessary consents and approvals required to be obtained on the part of the Company and the Bondholder in respect of the Second Supplemental Agreement.

If any of the conditions set out above cannot be satisfied on or before 5 March 2012 (or such later date as the parties thereto may agree in writing), the Second Supplemental Agreement shall cease and terminate.

Reasons for the Proposed Alteration

The Group is principally engaged in distribution of information technology products, and geological survey, exploration and development of iron, gold and other mineral deposits (mining operation) and trading of iron ore and alluvial gold.

The Proposed Alteration was arrived at after arm’s length negotiations between the Company and the Bondholder.

LETTER FROM THE BOARD

Given that the business of the Group is developing, the Board considers that there will be adverse impact to the Group if the Group is required to redeem all the outstanding US\$30M Convertible Bonds as the Group may not have sufficient internal resources at present to redeem the US\$30M Convertible Bonds as requested by Business Ally. As disclosed in the announcement of the Company dated 9 February 2011, the alleged breach of Subscription Agreement and/or the Conditions of the US\$30M Convertible Bonds was as a result of the resignations from the directorships of the Company by Mr. King Jun Chih, Joseph and Mr. Chan Kwan Hung which would entitle the Bondholder to give notice to the Company for redemption. As disclosed in the announcement of the Company dated 15 December 2011, the Company has received a redemption letter from Business Ally on 30 November 2011 requesting for the redemptions of the US\$30M Convertible Bonds and the US\$10M Convertible Bonds. The Company has fully redeemed the US\$10M Convertible Bonds and was in negotiations with Business Ally on the US\$30M Convertible Bonds. As a result of the negotiations, the Company and Business Ally have entered into the Second Supplemental Agreement which contains, among others, the Proposed Alteration. If the Proposed Alteration does not become effective, the Group may be required to redeem all the outstanding US\$30M Convertible Bonds as requested by Business Ally. In light of the current financial market, it is prudent for the Company to have sufficient cash flow and the Proposed Alteration will relieve short term cash outflow of the Company and allow further flexibility for the Company to plan its allocation of resources.

As such, the Directors (including the independent non-executive Directors) consider that the terms and conditions of the Second Supplemental Agreement are fair and reasonable and the Proposed Alteration is in the interests of the Company and the Shareholders as a whole.

SPECIFIC MANDATE FOR THE ADDITIONAL CONVERSION SHARES

Reference is also made to the announcement of the Company dated 3 January 2012 in relation to the adjustment of the Conversion Price of the US\$30M Convertible Bonds from HK\$1.30 to HK\$0.27 per Conversion Share (the “**Adjusted Conversion Price**”).

Pursuant to the terms of the US\$30M Convertible Bonds, the Conversion Price will be adjusted if the average closing price of one (1) 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 Company falls (the “**Year-end-month**”) in any calendar year plus a premium of 15% thereof, is lower than the applicable Conversion Price then in force.

LETTER FROM THE BOARD

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 2011 was HK\$0.235 per Share, and such Year-end-month Average Closing Price plus a premium of 15% thereof was HK\$0.27 per Share and was lower than the applicable Conversion Price of HK\$1.30 per US\$30M CB Conversion Share in force. Therefore, the respective applicable Conversion Price was adjusted to the Adjusted Conversion Price.

As a result of the adjustment to the Conversion Price, a total of 861,111,111 Conversion Shares will be allotted and issued upon the full exercise of the US\$30M Convertible Bonds at the Adjusted Conversion Price.

In the previous special general meeting of the Company held on 23 February 2011, a specific mandate for 178,846,153 Conversion Shares which may be issued and allotted upon the full conversion of the US\$30M Convertible Bonds based on the then adjusted Conversion Price of HK\$1.30 per Conversion Share was approved by the Shareholders.

In the Company's circular dated 2 February 2011, the Company stated that it would convene further general meeting 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 to the Conversion Price.

Furthermore, as disclosed in the announcement of the Company dated 8 September 2010, the Conversion Price of the US\$30M Convertible Bonds shall be subject to, among others, anti-dilutive adjustments. Such adjustments may result in Additional Conversion Shares to be allotted and issued.

Assuming that the Proposed Alteration became effective, the maturity date of the US\$30M Convertible Bonds will be amended to 13 December 2012 and as such, the price adjustment with reference to the Year-end-month Average Closing Price will not apply for the year 2012 unless the Company fails to redeem the US\$30M Convertible Bonds on the revised maturity date. In the event that any of the US\$30M Convertible Bonds have not been redeemed or converted on the revised maturity date, without prejudice to any rights and remedies available to the Bondholder under the US\$30M Convertible Bonds, the conversion right attaching to the US\$30M Convertible Bonds will be revived and/or will continue to be exercisable. The Conversion Price will then be subject to the price adjustment with reference to the Year-end-month Average Closing Price for the financial year ending 31 December 2012, i.e. the Conversion Price will be adjusted if the Year-end-month Average Closing Price for the financial year ending 31 December 2012 plus a premium of 15% thereof is lower than the applicable Conversion Price then in force. The Company shall hold a special general meeting to approve such further adjustment to the Conversion Price if any of the US\$30M Convertible Bonds has not been redeemed or converted on the revised maturity date.

LETTER FROM THE BOARD

In light of this, the Company will seek the Specific Mandate in the SGM for the approval of the issue of such Additional Conversion Shares pursuant to the adjustment to the Conversion Price as at 3 January 2012 and any subsequent adjustments to the Conversion Price in accordance with the terms and conditions of the US\$30M Convertible Bonds. Assuming that there will be no further adjustment to the Conversion Price in accordance with the terms and conditions of the US\$30M Convertible Bonds, the number of the additional Conversion Shares to be issued under the Specific Mandate shall be 682,264,958 Shares. Set out below is the shareholding structure after the adjustment to the Conversion Price as announced on 3 January 2012:

| Shareholder holding 5% or more | As at the Latest Practicable Date | | Immediately after full conversion of the US\$30M Convertible Bonds at the Conversion Price of HK\$1.30 per Conversion Share (Note 5) | | Immediately after full conversion of the US\$30M Convertible Bonds at the Adjusted Conversion Price (Note 3, 5) | | Immediately after full conversion of all convertible equity and/or debt securities (including options) of the Company | |
|---|-----------------------------------|----------------|--|----------------|---|----------------|---|----------------|
| | Number of | Approx. | Number of | Approx. | Number of | Approx. | Number of | Approx. |
| | Shares | % | Shares | % | Shares | % | Shares | % |
| Mountain Sky Resources (Mongolia) Limited | 155,350,000 | 13.65% | 155,350,000 | 11.80% | 155,350,000 | 7.77% | 1,861,017,473 | 42.32% |
| Ultra Asset International Ltd. | 180,547,273 | 15.87% | 180,547,273 | 13.71% | 180,547,273 | 9.03% | 618,615,909 | 14.07% |
| The Bondholder | 0 | 0.00% | 178,846,153 | 13.58% | 861,111,111 | 43.07% | 861,111,111 | 19.58% |
| Megali Holdings Limited | 89,689,345 | 7.88% | 89,689,345 | 6.81% | 89,689,345 | 4.49% | 89,689,345 | 2.04% |
| Other Public Shareholders | 712,420,960 | 62.60% | 712,420,960 | 54.10% | 712,420,960 | 35.64% | 966,680,716 | 21.99% |
| Total | 1,138,007,578 | 100.00% | 1,316,853,731 | 100.00% | 1,999,118,689 | 100.00% | 4,397,114,554 | 100.00% |

Notes:

- Mountain Sky is beneficially owned as to (i) 81.19% by Ultra Asset International Ltd. (“**Ultra Asset**”), and (ii) 18.81% by Mountain Sky Resources Holdings Limited (“**Mountain Sky Holdings**”). Mountain Sky holds 1,500,987,376 Preference Shares.
- 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 385,500,400 Preference Shares.
- The number of the Conversion Shares on the US\$30M Convertible Bonds to be issued is based on the Adjusted Conversion Price of HK\$0.27 per Conversion Share.
- The conversion ratio of Preference Shares to Shares is 1:1.1363636363.
- As a result of the adjustment to the Conversion Price. The shareholding structure is for illustrative purpose only.

LETTER FROM THE BOARD

If the US\$30M Convertible Bonds are converted, it will free up the Company's cash flow and allow the Company greater flexibility to plan its resources allocation for the operation of its businesses. As such, the Directors (including the independent non-executive Directors) consider that the Specific Mandate is in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

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 such, the Proposed Alteration and the Specific Mandate shall be subject to the approval of the Stock Exchange. The Company will apply to the Stock Exchange for the approval of the Proposed Alteration and the listing of, and the permission to deal in, the Additional Conversion Shares.

Since the Proposed Alteration will constitute a material change to the terms and conditions of the US\$30M Convertible Bonds, besides approval from the Stock Exchange, the Shareholders' approval will also be required.

SGM

The notice convening the SGM to be held at Units 2001-2, 20th Floor, Li Po Chun Chambers, 189 Des Voeux Road Central, Hong Kong on 23 February 2012 at 11:00 a.m. is set out on pages 18 to 20 of this circular. Whether or not you are able to attend the SGM, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and deposit the same at the Company's Hong Kong share registrar, 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 the 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 thereof should you so wish.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, no Shareholders have a material interest in the Proposed Alteration and/or the Specific Mandate and accordingly no Shareholders shall require to be abstained from voting at the SGM.

LETTER FROM THE BOARD

RECOMMENDATION

The Proposed Alteration was arrived at after arm's length negotiations between the Company and the Bondholder. The Board believes that Proposed Alteration is in the interests of the Company and the Shareholders as a whole and recommends the Shareholders to vote in favour of the resolution approving the Proposed Alteration to be proposed at the SGM.

The Specific Mandate will allow the Company to issue and allot the Additional Conversion Shares as a result of the adjustment to the Conversion Price of the US\$30M Convertible Bonds as at 3 January 2012 and any subsequent adjustments in accordance with the terms and conditions of the US\$30M Convertible Bonds. The Board is of the view that the Specific Mandate is in the interests of the Company and the Shareholders as a whole and recommends the Shareholders to vote in favour of the resolution approving the Specific Mandate 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
North Asia Resources Holdings Limited
Mr. Tse Michael Nam
Chairman

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 as at the Latest Practicable Date, 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. Ng Jenna Bee Ching. Ms. Ng is a member of the Hong Kong Institute of Certified Public Accountants and CPA Australia.
- (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.

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 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 at 11:00 a.m. on Thursday, 23 February 2012 for the following purpose of considering and, if thought fit, passing with or without amendments, the following resolutions:

ORDINARY RESOLUTIONS

1. **“THAT:**

- (a) the second supplemental agreement (the “**Second Supplemental Agreement**”) dated 6 January 2012 entered into between the Company and Business Ally Investments Limited (the “**Bondholder**”) (a copy of which marked “**A**” has been produced to the meeting and signed by the Chairman of the meeting for the purpose of identification) in relation to, among others, the amendments of certain terms and conditions (the “**Proposed Alteration**”) of the convertible bonds with principal amount of US\$30,000,000 issued by the Company (the “**US\$30M Convertible Bonds**”) and held by the Bondholder, be and is hereby approved, confirmed and ratified; and
- (b) the directors of the Company (the “**Directors**”) be and are hereby authorised 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 Second Supplemental Agreement and the Proposed Alteration and the transactions contemplated thereunder.”

NOTICE OF SGM

2. “**THAT**

- (a) the issue and allotment of any additional conversion shares of HK\$0.01 each in the share capital of the Company (the “**Additional Conversion Shares**”) as a result of the adjustment to the conversion price of the US\$30M Convertible Bonds as at 3 January 2012 and any subsequent adjustments on or before the maturity date of the US\$30M Convertible Bonds in accordance with the terms and conditions of the US\$30M Convertible Bonds be and is hereby approved, confirmed and ratified; and
- (b) the Directors be and are hereby authorized, as a specific mandate, to allot, issue and otherwise deal with the Additional 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 as at 3 January 2012 and any subsequent adjustments on or before the maturity date of the US\$30M Convertible Bonds in accordance with its terms and conditions.”

By the order of the Board of
North Asia Resources Holdings Limited
Mr. Tse Michael Nam
Chairman

Hong Kong, 8 February 2012

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. A member entitled to attend and vote at the SGM is entitled to appoint one or more proxy to attend and, subject to the provisions of the Bye-Laws, to vote on his behalf. A proxy need not be a member of the Company but must be present in person at the SGM to represent the member. 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. Whether or not you intend to attend the SGM in person, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon. Completion and return of a form of proxy will not preclude a member from attending in person and voting at the SGM or any adjournment thereof, should he so wish.
3. In order to be valid, the form of proxy, together with a power of attorney or other authority, if any, under which it is signed, or a certified copy of such power or authority must be deposited at the Company's branch share registrar in Hong Kong, Tricor Tengis Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, not less than 48 hours before the time appointed for holding the SGM or any adjournment thereof.
4. In the case of joint holders of shares, any one of such holders may vote at the SGM, either personally or by proxy, in respect of such share as if he was solely entitled thereto, but if more than one of such joint holders are present at the SGM personally or by proxy, that one of the said persons so present whose name stands first on the register of members of the Company in respect of such shares shall alone be entitled to vote in respect thereof.