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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)

MAJOR AND CONNECTED TRANSACTION
IN RELATION TO
ACQUISITION OF 51% EQUITY INTEREST IN
GREAT PAYMENT LIMITED
INVOLVING THE ISSUE OF CONVERTIBLE PREFERENCE SHARES

THE ACQUISITION

The Board is pleased to announce that after trading hours of the Stock Exchange on 2 April 2015, the Company, Day's Holding, Mr. Zhang, Best Growth, China OEPC, Mr. Li and Mr. Chen entered into the Agreement, pursuant to which the Company has conditionally agreed to purchase, and Day's Holding has conditionally agreed to sell, the Sale Shares at a consideration of HK\$1,428 million, which shall be satisfied by the Company by way of issuing (i) 7,500,000,000 Consideration CPS at the Issue Price of HK\$0.17 per Consideration CPS; and (ii) the Promissory Note in the principal amount of HK\$153 million.

LISTING RULES IMPLICATIONS

The Acquisition constitutes a major transaction for the Company under Chapter 14 of the Listing Rules. Mr. Zhang is the Director and is therefore a connected person of the Company. As Mr. Zhang is a party to the Agreement, the Acquisition also constitutes a connected transaction for the Company under the Listing Rules and is subject to the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

The Independent Board Committee comprising Ms. Leung Yin Fai, Mr. Leung Po Wing, Bowen Joseph (GBS, JP) and Mr. Zhou Chunsheng, being all the independent non-executive Directors, has been established to give recommendation to the Independent Shareholders in respect of the Acquisition. An independent financial adviser will be appointed with the approval of the Independent Board Committee to advise the Independent Board Committee and the Independent Shareholders in this regard.

The voting in respect of the Acquisition at the SGM will be conducted by way of a poll in accordance with the requirements of the Listing Rules. Mr. Zhang, Day's Holding and their respective associates shall abstain from voting on the resolution(s) approving the Agreement and the transaction contemplated thereunder at the SGM. As at the date of this announcement, (i) Mr. Zhang and his associates are interested in 1,745,219,755 Shares, representing approximately 20.29% of the existing issued share capital of the Company; and (ii) Day's Holding and its associates do not hold any Shares. Mr. Zhang has also abstained from voting at the Board meeting which approved the memorandum of understanding dated 23 March 2015 and the Agreement.

A circular containing, among other things, (i) details of the Acquisition; (ii) financial information of the Group and the Target Group; (iii) valuation report of the Target Group; (iv) the recommendation of the Independent Board Committee to the Independent Shareholders in relation to the Acquisition; (v) the letter of advice from the independent financial adviser to the Independent Board Committee and the Independent Shareholders in the same regard; and (vi) the notice of the SGM, is expected to be despatched to the Shareholders on or before 1 June 2015 so as to allow sufficient time for the preparation of the relevant information for the inclusion in the circular.

INTRODUCTION

Reference is made to the announcement of the Company dated 23 March 2015 in relation to the entering into of a memorandum of understanding with Day's Holding regarding the proposed acquisition of 51% equity interest in the Target by the Company.

The Board is pleased to announce that after trading hours of the Stock Exchange on 2 April 2015, the Company, Day's Holding, Mr. Zhang, Best Growth, China OEPC, Mr. Li and Mr. Chen entered into the Agreement, pursuant to which the Company has conditionally agreed to purchase, and Day's Holding has conditionally agreed to sell, the Sale Shares at a consideration of HK\$1,428 million, which shall be satisfied by the Company by way of issuing (i) 7,500,000,000 Consideration CPS at the Issue Price of HK\$0.17 per Consideration CPS; and (ii) the Promissory Note in the principal amount of HK\$153 million. Details of the terms of the Agreement are set out below.

THE AGREEMENT

Date

2 April 2015

Parties

- (i) the Company, as the purchaser;
- (ii) Day's Holding, as the vendor;
- (iii) Mr. Zhang, as one of the warrantors to the purchaser;
- (iv) Best Growth, as one of the warrantors to the purchaser;
- (v) China OEPC, as one of the warrantors to the purchaser;
- (vi) Mr. Li, as one of the warrantors to the vendor; and
- (vii) Mr. Chen, as one of the warrantors to the vendor.

Day's Holding, Best Growth and China OEPC are principally engaged in investment holding. As at the date of the Agreement, Mr. Chen (through Xingyun 1) and Mr. Li (through Xingyun 3) are substantial ultimate beneficial owners of Day's Holding with a combined holding of over 50% in the share capital of Day's Holding. To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, Day's Holding and its substantial ultimate beneficial owners (i.e. Mr. Chen and Mr. Li) are third parties independent of the Company and its connected persons.

Assets to be acquired

Pursuant to the Agreement, the Company has conditionally agreed to purchase, and Day's Holding has conditionally agreed to sell, the Sale Shares. The Sale Shares represent 51% equity interest in the Target as at the date of the Agreement and the date of Completion. Details of the Target Group are set out in the section headed "Information on the Target Group" below.

Consideration

The Consideration is HK\$1,428 million, which shall be satisfied by the Company at Completion by way of issuing (i) 7,500,000,000 Consideration CPS at the Issue Price of HK\$0.17 per Consideration CPS; and (ii) the Promissory Note in an amount of HK\$153 million. Further details of the Consideration CPS and the Promissory Note are set out in the sections headed "Consideration CPS" and "Promissory Note" respectively below.

The Consideration was determined after arm's length negotiations between the Company and Day's Holding taking into account of, among other things, (i) a preliminary valuation of approximately HK\$2,800 million by an independent valuer using market approach on the Target Group as at 31 December 2014; (ii) the latest financial position of the Target Group; and (iii) the prospects of the Target Group.

As disclosed in the paragraph headed "Conditions precedent" below, completion of the Fund Raising Exercise is one of the conditions precedent to the Agreement. In the event that the Fund Raising Exercise(s) of an amount to be raised from such fund raising exercise(s) of not less than HK\$50 million has been completed on or before the Completion, the Company shall forthwith refund the earnest money of HK\$2 million to Day's Holding, which has been paid by Day's Holding under the memorandum of understanding as disclosed in the announcement of the Company dated 23 March 2015.

Consideration CPS

The principal terms of the Consideration CPS are as follows:

Par value: HK\$0.01 per Consideration CPS

Issue Price: HK\$0.17 per Consideration CPS

Dividends:	The Consideration CPS shall rank <i>pari passu</i> with the convertible preference shares of the Company to receive dividends. Any dividends declared shall not be less than that declared in respect of the convertible preference shares of the Company on a per share basis.
Conversion period:	Indefinite
Conversion rate:	Each Consideration CPS shall be convertible into one Share.
Conversion rights:	The holder of the Consideration CPS shall have the right to convert the Consideration CPS at any time after the issue thereof, in whole or in part, into Shares as determined by the conversion rate provided that (i) following such conversion, the relevant holder of the Consideration CPS and parties acting in concert with it, taken together, will not directly or indirectly, control or be interested in more than 29.9% of the entire voting rights of the Company; and (ii) the public float of the Shares shall not be less than 25% (or any given percentage as required by the Listing Rules) immediately after the conversion of the Consideration CPS.
Redemption:	The Consideration CPS are non-redeemable.
Ranking:	With respect to (a) dividends, and (b) distributions of surplus assets upon the occurrence of liquidation, the Consideration CPS shall rank prior to all Shares but rank <i>pari passu</i> with the convertible preference shares of the Company.

- Rights in liquidation:** In the event of any liquidation, dissolution or winding up of the Company, whether voluntary or involuntary, each holder of the Consideration CPS shall be entitled to receive, prior to and in preference to any distribution of any of the surplus assets or funds of the Company to the holders of any other class of shares of the Company ranked second to the Consideration CPS (including but not limited to the Shares), an amount per Consideration CPS equal to the Issue Price, in addition to any unpaid dividends already declared by the Board in respect of the Consideration CPS (“**Liquidation Preference**”). After the payment of the Liquidation Preference to the holders of the Consideration CPS, the remaining surplus assets of the Company that are legally available for distribution shall be distributed to the holders of the Shares and holders of Consideration CPS pro rata on an as-converted basis.
- Voting Rights:** Except as required by law, the Consideration CPS shall have no voting rights.
- Transferability:** The Consideration CPS are transferable other than to the connected persons of the Company.
- Application for listing:** The Consideration CPS are not listed on the Stock Exchange or any other stock exchange.
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The Conversion Shares will be issued under a specific mandate to be sought for approval by the Independent Shareholders at the SGM. The Conversion Shares shall rank pari passu with the issued Shares on the relevant date of conversion.

The Company will make an application to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Conversion Shares to be allotted and issued upon the exercise of the conversion rights attaching to the Consideration CPS.

Issue Price

The Issue Price was determined after arm's length negotiations between the Company and Day's Holding taking into account, among other things, the prevailing market prices of the Shares. The Issue Price of HK\$0.17 per Consideration CPS is equal to the closing price of the Share as quoted on the Stock Exchange on the date of the Agreement and represents:

- (i) a premium of approximately 1.19% over the average of the closing prices per Share as quoted on the Stock Exchange for the 5 trading days immediately prior to the date of the Agreement of approximately HK\$0.168 per Share; and
- (ii) a premium of approximately 4.29% over the average of the closing prices per Share as quoted on the Stock Exchange for the 10 trading days immediately prior to the date of the Agreement of approximately HK\$0.163 per Share.

Promissory Note

Pursuant to the Agreement, the Company will issue the Promissory Note with principal amount of HK\$153 million to Day's Holding as part payment of the Consideration.

The Promissory Note shall bear interest from the date of issue at a fixed rate of 5% per annum which will accrue on the outstanding principal amount of the Promissory Note and be paid on the maturity date of the Promissory Note. The Promissory Note will mature on the date of the third anniversary from the date of issue. At any time prior to the maturity date of the Promissory Note, the Company may, by giving not less than 14 days' written notice to Day's Holding, redeem and prepay the outstanding amount or any part thereof, provided that each such prepayment must be in the sum of not less than HK\$1 million and in integral multiples of HK\$1 million. No interest shall be accrued and payable in respect of the principal amount of the Promissory Note which has been prepaid by the Company.

Conditions precedent

Completion is conditional upon the occurrence or, as appropriate, the waiver of the following conditions on or before the Long Stop Date:

- (i) Day's Holding having been reasonably satisfied with the results of such enquiries, investigations and due diligence reviews of the business, affairs, operations and financial position of the Group by Day's Holding or any of its officers, employees, agents, professional advisers or other agents as Day's Holding in its discretion deems necessary, desirable or appropriate to undertake;

- (ii) the approval by the Shareholders who are not required to abstain from voting under the Listing Rules of the following at a special general meeting of the Company in accordance with the requirements of the Listing Rules:
 - (a) the Agreement and the transactions contemplated thereunder, including the allotment and issue under a specific mandate of the Consideration CPS and the Promissory Note;
 - (b) the approval of the appointment/ re-election of the Directors appointed as described under the paragraph headed “Nomination of Directors” below;
 - (c) the change of the name of the Company to “Day’s Holding Company Limited 得仕控股集團有限公司” forthwith upon Completion;
 - (d) if required under the Listing Rules, the allotment and issue under a specific mandate of the Shares to be allotted and issued under the Fund Raising Exercise(s);
- (iii) the listing of, and permission to deal in, all the Conversion Shares having been granted by the Stock Exchange (subject to allotment and matters ancillary thereto) and such listing and approval not subsequently being revoked prior to the date of Completion and if such approval is subject to any conditions imposed by the Stock Exchange, such conditions being reasonably acceptable to Day’s Holding and the Company;
- (iv) all the authorisations, approvals, consents, waivers and permits of the relevant authorities of the relevant jurisdictions which are necessary to give effect to the Agreement and the transactions contemplated therein as required by all laws or regulations applicable to the Company having been granted, received and obtained by the Company;
- (v) all the authorisations, approvals, consents, waivers and permits of the relevant authorities of the relevant jurisdictions which are necessary to give effect to the Agreement and the transactions contemplated therein as required by all laws or regulations applicable to Day’s Holding having been granted, received and obtained by Day’s Holding;
- (vi) the representations and warranties made, or any of the undertakings given, by the Purchaser’s Warrantors under the Agreement remaining true and correct in all material respects;

- (vii) the representations and warranties made, or any of the undertaking given, by Day's Holding, Mr. Chen and Mr. Li under the Agreement remaining true and correct in all material respects;
- (viii) there not having occurred at any time any material adverse change or development in the financial or trading position of the Group;
- (ix) there not having occurred at any time any material adverse change or development in the financial or trading position of the Target Group;
- (x) in respect of the convertible bonds of the Company due on 6 June 2016 with principal amount of US\$15 million, the obtaining of confirmations from the relevant holders or creditors, including but not limited to Business Ally, that they will consent to the entering into of the Agreement and the consummation of the transactions contemplated therein, including but not limited to the issue of the Consideration CPS, the transfer of the Shares, convertible preference shares and convertible bonds held by China OEPC to Day's Holding, in an agreed form;
- (xi) the Company having been reasonably satisfied with the results of such enquiries, investigations and due diligence reviews of the business, affairs, operations and financial position of the Target Group, including but not limited to the transfer of Shanghai Days to Day's HK, by the Company or any of its officers, employees, agents, professional advisers or other agents as the Company in its discretion deems necessary, desirable or appropriate to undertake;
- (xii) completion of the transfer of ownership of Shanghai Days to Day's HK;
- (xiii) the Company, China OEPC, Mr. Zhang, and Guang Cheng Group Limited (a wholly-owned subsidiary of the Company) not being in breach of any of their respective financial and legal commitments under:
 - (a) the subscription agreement dated 8 September 2010 (as amended and supplemented by a supplemental letter dated 21 September 2010, and further amended by three supplemental agreements dated 29 October 2010, 6 January 2012 and 6 September 2012, respectively) and the subscription agreement dated 6 September 2012 entered into between the Company and Business Ally;

- (b) the charge and security assignment dated 7 June 2013, 1 November 2013 and 4 June 2014, respectively, by China OEPC in favour of Business Ally and the charges over shares dated 7 June 2013 entered into between China OEPC and Business Ally;
 - (c) the deed of guarantee dated 7 June 2013 entered into by Mr. Zhang in favour of Business Ally;
 - (d) the placing agreement dated 18 December 2012 (as amended and supplemented by the extension letters dated 31 December 2012, 18 March 2013, 11 June 2013, 24 June 2013 and 28 June 2013) entered into between KCG Securities Asia Limited and the Company in relation to private placing of convertible bonds and promissory notes of the Company each in the aggregate principal amount of up to US\$30,000,000, related mortgage on shares and convertible bonds entered into between China OEPC and the holders of convertible bonds and promissory notes, and deed of guarantee entered into between Mr. Zhang and the holders of convertible bonds and promissory notes;
 - (e) the promissory note dated 7 June 2013 entered into between Guang Cheng Group Limited and China OEPC ; and
 - (f) the deed poll dated 7 June 2013 entered into between the Company and City Bloom, and the giving of directors' certificates to that effect by the Directors;
- (xiv) trading of the Shares not being halted or suspended (other than temporary suspension of not more than three trading days or trading halt or suspension for the purpose of clearing the announcements of the Company in relation to the Agreement and the transactions contemplated thereunder (including but not limited to Fund Raising Exercise(s)) and the Shares and the Company remaining listed on the Stock Exchange at all times;
- (xv) completion of the Fund Raising Exercise(s) on or before Completion of an amount not less than HK\$650 million and confirmation that no other Shares or securities convertible into Shares have been issued save as a result of conversion of currently outstanding convertible bonds and convertible preference shares as set out in the Agreement;
- (xvi) the entering into of the Deed of Indemnity by Day's Holding, Xingyun 1 and Xingyun 3 in favour of Mr. Zhang and the taking into effect of the same;

- (xvii) the Director(s) nominated by Day's Holding as described under the paragraph headed "Nomination of Directors" below being appointed and remaining as Directors;
- (xviii) the obtaining of a valuation report (in form and substance satisfactory to the Company) from a firm of independent professional valuers appointed by the Company showing the valuation of the Target to be not less than HK\$2,800 million;
- (xix) (if applicable) the approval of the Bermuda Monetary Authority in respect of the allotment and issue of the Consideration CPS and the Shares to be allotted and issued by the Company upon the exercise of the conversion rights attaching to the Consideration CPS by the Company;
- (xx) no indication being received from the Stock Exchange that the transactions contemplated under the Agreement will be treated or, as the case may be, ruled by the Stock Exchange as a "reverse takeover" under the Listing Rules; and
- (xxi) the obtaining of a legal opinion (in the agreed form) from a firm of PRC legal advisers appointed by the Company in respect of the Agreement and the transactions contemplated thereby, including but not limited to the following aspects: (a) the due and proper establishments and valid existence under the laws of the PRC of Shanghai Days; (b) the power and authority of Shanghai Days to carry on their businesses as set forth in the constitutional documents of Shanghai Days; (c) the ownership of the registered and paid up capitals of Shanghai Days; (d) the legality, verticality and effectiveness of the transfer as mentioned in condition (xii) above; and (e) any other matters as may be required by the Company.

Day's Holding may in its absolute discretion at any time before Completion waive the conditions set out in (i), (vi) and (viii) by notice to the Company. The Company may in its absolute discretion at any time before Completion waive the conditions set out in (vii), (ix) and (xi) by notice to Day's Holding. Any waiver may be subject to such terms and conditions as may be agreed Day's Holding and the Company. Save for the aforesaid, none of the conditions set out above can be waived by any party under the Agreement.

If any of the above conditions remain unsatisfied or is not waived (as the case may be) on the expiry of the Long Stop Date or becomes incapable of fulfilment on or before the day falling on the expiry of the Long Stop Date, the Agreement shall automatically terminate with immediate effect and each party's rights and obligations other than those specified in the Agreement shall cease immediately on termination. Such termination shall not affect the rights and obligations of the parties existing before termination.

In respect of condition (xv) above, the Company has approached potential placing agent to explore the feasibility and timing for conducting the Fund Raising Exercise(s). Further announcement(s) will be made by the Company as and when appropriate.

Completion

Completion shall take place on the fifth Business Day following the due fulfilment (or waiver if applicable) of the conditions precedent or such other date as the parties to the Agreement shall agree. Upon Completion, the Target will become a non-wholly owned subsidiary of the Company and its accounts will be consolidated into the financial statements of the Group.

Nomination of Directors

Upon signing of the Agreement, Day's Holding will have an option of nominating to the Purchaser's Warrantors up to two candidates for the Board and the Purchaser's Warrantors will hence forth procure such nominations be put forward for the consideration of the Board and, if required, the Shareholders, in accordance with constitutional documents of the Company and the requirements of the Listing Rules.

In the event that the Acquisition is not completed in accordance with the terms of the Agreement, Day's Holding shall procure that the Directors appointed pursuant to the aforesaid mechanism shall promptly resign from the Board.

Change of company name

Upon Completion, the Company shall forthwith proceed with the administrative procedures in relation to the change of the name of the Company as approved in the resolution as described in condition (ii)(c) above. Such change of name shall be completed within two month after the date of Completion.

Deed of Indemnity

Under the terms of the Agreement, Day's Holding, Xingyun 1 and Xingyun 3 have agreed to enter into the Deed of Indemnity for the purpose of indemnifying Mr. Zhang on the occurrence of certain indemnified matters as described below under the Deed of Indemnity. In consideration of Day's Holding, Xingyun 1 and Xingyun 3 giving the Deed of Indemnity, each of the Purchaser's Warrantors warrants and undertakes to Day's Holding that it will cause to transfer its interest in (i) 1,745,219,755 Shares; (ii) 472,987,376 convertible preference shares of the Company (convertible into 537,485,654 Shares); and (iii) convertible bonds of the Company with principal amount of HK\$2,123,529,158 (convertible into 12,491,347,988 Shares) to Day's Holding. Such transfer should be made as soon as

possible after the full settlement of the liabilities under the indemnified matters as described below. Also, Mr. Zhang shall procure the transfer to Day's Holding of the convertible bonds issued by the Company of an amount of HK\$15,000,000 currently held by his associate on or before 31 December 2016.

Pursuant to the Deed of Indemnity, each of Day's Holding, Xingyun 1 and Xingyun 3 agrees and undertakes jointly and severally to indemnify and at all times keep indemnified Mr. Zhang on a full indemnity basis and hold Mr. Zhang harmless from and against all actions, losses, claims (whether or not such claim involves or results in any actions or proceedings) from time to time made or threatened to be made against, and costs, damages, expenses, fines, penalties and liabilities suffered or incurred by Mr. Zhang arising from, as a result of, in connection with any indemnified matters, including:

- (i) the deed of guarantee given by Mr. Zhang (as guarantor) in favour of Business Ally dated 7 June 2013;
- (ii) the deeds of guarantee dated 11 June 2013, 24 June 2013 and 3 July 2013 in favour of the holders of the convertible bonds and promissory notes as announced in the announcement of the Company dated 11 June 2013, 24 June 2013 and 3 July 2013; and
- (iii) the deed of adherence dated 7 June 2013 executed among China OEPC, the Company, Business Ally and City Bloom.

The Deed of Indemnity will terminate and cease to have effect upon the earlier of (i) the termination of the abovementioned agreements pursuant to the terms therein; or (ii) the full settlement of the liabilities under the indemnified matters as described above.

EFFECTS ON SHAREHOLDING STRUCTURE OF THE COMPANY

The following table set out, for illustrative purpose only, the effect of the Acquisition on the shareholding structure of the Company immediately after Completion and transfer of Shares, convertible preference shares of the Company and convertible bonds of the Company by China OEPC under the Deed of Indemnity¹:

Shareholders	As at the date of this announcement		Immediately after Completion and transfer of Shares, convertible preference shares of the Company and convertible bonds of the Company by China OEPC under the Deed of Indemnity		Immediately after Completion, transfer of Shares, convertible preference shares of the Company and convertible bonds of the Company by China OEPC under the Deed of Indemnity, and upon conversion of all the Consideration CPS (for illustration purpose only)	
	Shares	%	Shares	%	Shares	%
Diamond Lion Limited	1,187,756,754	13.81	1,187,756,754	13.81	1,187,756,754	7.38
China OEPC ²	1,745,219,755	20.29	–	–	–	–
Mr. Tse Michael Nam	1,531,642	0.02	1,531,642	0.02	1,531,642	0.01
Other Shareholders ⁴	185,384,091	2.15	185,384,091	2.15	185,384,091	1.15
Day's Holding	–	–	1,745,219,755	20.29	9,245,219,755 ⁴	57.42
Public Shareholders	5,480,668,100	63.73	5,480,668,100	63.73	5,480,668,100	34.04
	<u>8,600,560,342</u>	<u>100.00</u>	<u>8,600,560,342</u>	<u>100.00</u>	<u>16,100,560,342</u>	<u>100.00</u>

Notes:

- Assuming that there is no change in the issued share capital of the Company other than the issue of the Consideration CPS since the date of this announcement and up to the date of Completion.
- The Shares (among which 412,169,962 Shares are held in short position) are beneficially owned by Best Growth, which are in turn beneficially owned by Mr. Zhang, the Executive Director and the Chairman of the Company.
- Mr. Tse Michael Nam is the Executive Director.
- The Shares are held as to 41,216,996 Shares by Baofa Industrial Limited; 6,293,498 Shares by New HongFa Industrial Limited; 31,200,000 Shares by Hwa Foo Holdings Limited; and 106,673,597 Shares by Golden Year Holdings Limited, all of which are shareholders of City Bloom.
- For illustration purpose only, the figure represents the sum of (i) 1,745,219,755 Shares to be transferred by China OEPC to Day's Holding under the Deed of Indemnity; and (ii) 7,500,000,000 Shares to be issued upon the conversion of all the Consideration CPS.

INFORMATION ON THE TARGET GROUP

The Target is a company incorporated in the BVI with limited liability on 17 November 2014 and is wholly-owned by Day's Holding. The Target is principally engaged in investment holding and its principal asset is its entire equity interest in Day's HK. Day's HK is a company incorporated in Hong Kong with limited liability on 18 November 2014 and is principally engaged in investment holding.

As part of the intra-group reorganisation efforts, on 17 March 2015, Shanghai Days filed an application of equity transfer with the Shanghai Municipal Commission of Commerce to transfer, without changes in ultimate controlling shareholder, the entire equity interest in the ownership of Shanghai Days to Day's HK at a consideration of RMB27.7 million (equivalent to approximately HK\$34.9 million). The Target Group expects that the aforesaid share transfer will be completed by April 2015.

Shanghai Days is a company established in the PRC with registered and paid up capital of RMB100,000,000. Since its inception in December 2006, Shanghai Days has become one of the well-known third party payment services providers in the PRC. Leveraging its individual and corporate customers accumulated over the years and the network advantage of its merchant stores, Shanghai Days is of the vision to establish an integrated payment services platform offering Internet financing and onshore and offshore consumption functions. Shanghai Days has been granted the payment services license by the People's Bank of China to conduct businesses of prepaid card issuance and settlement, and Internet payment services, and has obtained qualifications of providing clearing and settlement services for fund sales from China Securities Regulatory Commission. Shanghai Days' core businesses include development of, within the scope of administrative permits, (i) prepaid card issuance and settlement; (ii) Internet payment and mobile payment services; (iii) customised payment services for financial institutions, asset management companies and Internet companies; and (iv) other services related to online to offline (O2O), credit checking and data mining businesses, leveraging Shanghai Days' proprietary payment network.

As informed by Day's Holding, at present, Shanghai Days has four core products including "Days Pre-paid Card", "Days Pay", "Days Trove" and "Days Interest-carried Pre-paid Card":

- (i) Days Pre-paid Card is a pre-paid card product. Shanghai Days has established a customer base of over 48,000 corporate clients and 15 million pre-paid card issuance base. Shanghai Days has contractual relationships with over 10,000 merchants in Shanghai and Beijing;
- (ii) Days Pay is an Internet payment platform. Registered users can pay public utility fees or conduct online spending through Days Pay and online merchants can use Days Pay's Internet payment services to settle transactions;
- (iii) Days Trove is an Internet financing platform offering third party wealth management products. Days Trove started mainly with money market funds and short-term corporate bond funds and it is in the process of enriching the product portfolio with the launch of online peer-to-peer (P2P) products in March 2015. Products such as equity funds, index funds, bond funds and trust products will be subsequently introduced. With regard to expansion of customer base, the Target Group intends to enter into strategic cooperation with sizeable e-commerce enterprises and retail chain merchants, and, within the administrative capacity of Shanghai Days, to provide relevant services to the customers of its strategic partners through its Internet financing platform;
- (iv) Days Interest-carried Pre-paid Card is a value-added product based on Days Pre-paid Card, and is the only pre-paid card with both interest-bearing performance on card balance and real-time consumption function in the PRC. The target market has extended from holders of general and single purpose pre-paid cards for daily consumption to holders of demand deposit accounts for capital appreciation in banks. The balance of Days Interest-carried Pre-paid Card is automatically invested in money market funds and the investment returns can be used for future consumption.

Shanghai Days has established a proprietary and complete payment network. Real name registers can (i) make online purchases through Days Pay, (ii) process online wealth management through Days Trove, and (iii) make consumption at physical merchants through Days Pre-paid Card and Days Interest-carried Pre-paid Card. The Target Group is one of very limited payment platforms in the PRC able to provide seamless O2O connections for consumers today.

Set out below are the unaudited consolidated financial information of the Target Group for each of the two financial years ended 31 December 2013 and 2014, which have been prepared in accordance with the Hong Kong Financial Reporting Standards:

	For the year ended 31 December			
	2013		2014	
	<i>RMB</i>	<i>HK\$</i>	<i>RMB</i>	<i>HK\$</i>
Profit before taxation	5,888,255	7,419,201	17,868,837	22,514,735
Profit after taxation	4,183,171	5,270,795	13,458,239	16,957,381

As at 31 December 2014, the unaudited consolidated net assets of the Target Group amounted to RMB45,197,816 (equivalent to approximately HK\$56.9 million).

REASONS FOR AND BENEFITS OF THE ACQUISITION

The Group is principally involved in (i) the distribution of information technology products; (ii) geological survey, exploration and development of coal deposits (mining operation) and sales of coking coal; and (iii) provision of coal trading and logistics services. As stated in the annual results announcement of the Company dated 26 March 2015, the Group will continue to identify suitable investments, acquisitions and projects opportunities in order to enhance the value of the Company and to create higher returns for Shareholders.

Third party payment industry in the PRC includes Internet payment, mobile payment, bank card payment, pre-paid card issuance and management. According to 中國第三方支付行業年度監測報告簡版 (China Third-Party Payment Industry Annual Monitoring Brief Report*) in 2013, a publicly available research report published by iResearch Consulting Group (“**iResearch**”, a research company that focuses on the Internet industry of the PRC), the third party payment industry transaction is expected to achieve a compounded annual growth rate (the “**CAGR**”) of approximately 39.6%, from approximately RMB\$5.1 trillion in 2010 to approximately RMB52.6 trillion in 2017. In addition, according to 年度數據發佈–第三方支付 (Annual Data Published – Third Party Payment*) in 2014, another publicly available research report published by iResearch, the CAGR of transaction amount of mobile payment is expected to reach approximately 117.3%, from approximately RMB79.9 billion in 2011 to approximately RMB18,261.0 billion in 2018 and the CAGR of transaction amount of Internet payment is expected to reach to approximately 44.7%, from approximately RMB2,203.8 billion in 2011 to approximately RMB29,209.1 billion in 2018. The contribution of Internet payment and mobile payment to the overall third party payment business will become increasingly significant in the PRC.

* For identification purpose only

Shanghai Days is one of the leading third party payment service providers in the PRC, and owns licenses for Internet payment, pre-paid card issuance and management. It has accumulated a strong institutional customer base of 48,000 companies and developed a merchant network of more than 10,000 merchants in Shanghai and Beijing. In light of the significant growth potential in the business segments of mobile payment, Internet payment and Internet finance in the PRC, the Directors believe that the Acquisition provides a channel for the Company to gain access the third party payment industry in the PRC. In view of the pioneer position in third party payment services and the strong customer base of Shanghai Days, the Directors are optimistic about the business prospects of Shanghai Days.

Having considered that the Group has been loss making in recent years, the Directors consider that it is in the interest of the Company and the Shareholders to retain more cash for general working capital and future business expansion of the Group after the Acquisition. The issue of the Consideration CPS to settle part of the Consideration is proposed as it would not affect the liquidity position or financial leverage of the Group and allow the Company to complete the Acquisition without any cash outlay. The 3-year term of the Promissory Note would minimise the pressure on the Group's short-term cashflow, and the early repayment feature would provide flexibility for the Group to reduce its gearing and finance expenses as and when it sees fit.

The Directors (other than the members of the Independent Board Committee whose view would be set out in the circular of the Company relating to the Acquisition after taking into account the advice of the independent financial adviser) consider that the terms of the Acquisition are fair and reasonable and on normal commercial terms and that the entering into of the Agreement is in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

The Acquisition constitutes a major transaction for the Company under Chapter 14 of the Listing Rules. Mr. Zhang is the Director and is therefore a connected person of the Company. As Mr. Zhang is a party to the Agreement, the Acquisition also constitutes a connected transaction for the Company under the Listing Rules and is subject to the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

The Independent Board Committee comprising Ms. Leung Yin Fai, Mr. Leung Po Wing, Bowen Joseph (GBS, JP) and Mr. Zhou Chunsheng, being all the independent non-executive Directors, has been established to give recommendation to the Independent Shareholders in respect of the Acquisition. An independent financial adviser will be appointed with the approval of the Independent Board Committee to advise the Independent Board Committee and the Independent Shareholders in this regard.

The voting in respect of the Acquisition at the SGM will be conducted by way of a poll in accordance with the requirements of the Listing Rules. Mr. Zhang, Day's Holding and their respective associates shall abstain from voting on the resolution(s) approving the Agreement and the transactions contemplated thereunder at the SGM. As at the date of this announcement, (i) Mr. Zhang and his associates are interested in 1,745,219,755 Shares, representing approximately 20.29% of the existing issued share capital of the Company; and (ii) Day's Holding and its associates do not hold any Shares. Mr. Zhang has also abstained from voting at the Board meeting which approved the memorandum of understanding dated 23 March 2015 and the Agreement.

A circular containing, among other things, (i) details of the Acquisition; (ii) financial information of the Group and the Target Group; (iii) valuation report of the Target Group; (iv) the recommendation of the Independent Board Committee to the Independent Shareholders in relation to the Acquisition; (v) the letter of advice from the independent financial adviser to the Independent Board Committee and the Independent Shareholders in the same regard; and (vi) the notice of the SGM, is expected to be despatched to the Shareholders on or before 1 June 2015 so as to allow sufficient time for the preparation of the relevant information for the inclusion in the circular.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following words and expressions shall have the meanings given to them as below:

“Acquisition”	the proposed acquisition of the Sale Shares by the Company pursuant to the terms and conditions of the Agreement
“Agreement”	the conditional sale and purchase agreement dated 2 April 2015 entered into among the Company, Day's Holding, Mr. Zhang, Best Growth, China OEPC, Mr. Li and Mr. Chen with respect to the Acquisition
“associates”	has the meaning ascribed to it under the Listing Rules
“Best Growth”	Best Growth Enterprises Limited, a company incorporated in the BVI with limited liability, which is wholly-owned by Mr. Zhang
“Board”	the board of Directors

“Business Ally”	Business Ally Investments Limited, a company incorporated in the BVI with limited liability, which is wholly and beneficially owned by CCB International Asset Management Limited
“Business Day”	a day (other than a Saturday or Sunday) on which banks in Hong Kong are generally open for business throughout their normal business hours
“BVI”	the British Virgin Islands
“China OEPC”	China OEPC Limited, a company incorporated in the BVI with limited liability, which is wholly-owned by Best Growth
“City Bloom”	City Bloom Limited, a company incorporated in the BVI with limited liability, which is indirectly owned as to 70% by Mr. Zhang
“Company”	North Asia Resources Holdings Limited, a company incorporated in Bermuda with limited liability and the issued Shares of which are listed on the main board of the Stock Exchange (stock code: 61)
“Completion”	completion of the Acquisition in accordance with the terms of the Agreement
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Consideration”	HK\$1,428 million, being the consideration for the Acquisition
“Consideration CPS”	7,500,000,000 new convertible preference shares of the Company to be issued to Day’s Holding to settle part of the Consideration, a summary of the principal terms of which are set out in the paragraph headed “Consideration CPS” in this announcement

“Conversion Shares”	new Share(s) to be allotted and issued to the holders of the Consideration CPS by the Company credited as fully paid upon the exercise of the conversion rights attaching to the Consideration CPS at the conversion rate prevailing at the time the conversion notice is given by the relevant holder of the Consideration CPS
“Day’s HK”	Day’s Hong Kong Limited, a company incorporated in Hong Kong with limited liability
“Day’s Holding”	Day’s Holding Company Limited, a company incorporated in the Cayman Islands with limited liability
“Deed of Indemnity”	the deed of indemnity to be entered into among Mr. Zhang, Day’s Holding, Xingyun 1 and Xingyun 3 for the purpose of indemnifying Mr. Zhang on the occurrence of certain indemnified matters
“Director(s)”	the director(s) of the Company
“Fund Raising Exercise(s)”	fund raising activities, including by way of placing and issue of new Shares by the Company which shall be conducted in such manner and on such terms as the Company and Day’s Holding may agree
“Hong Kong”	The Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	the independent committee of the Board, comprising all the independent non-executive Directors, namely Ms. Leung Yin Fai, Mr. Leung Po Wing, Bowen Joseph (GBS, JP) and Mr. Zhou Chunsheng, established to give a recommendation to the Independent Shareholders in respect of the Agreement and the transactions contemplated thereunder, including but not limited to the issue of the Consideration CPS and the Promissory Note
“Independent Shareholders”	Shareholders other than Mr. Zhang, Day’s Holding and their respective associates
“Issue Price”	the issue price of HK\$0.17 per Consideration CPS

“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	30 September 2015 or such later date as may be agreed in writing between the parties to the Agreement
“Mr. Chen”	Mr. Chen Liang, the beneficial owner of Xingyun 1 Limited
“Mr. Li”	Mr. Li Xiao Ru, the beneficial owner of Xingyun 3 Limited
“Mr. Zhang”	Mr. Zhang Sanhuo, an Executive Directors and the Chairman of the Company
“PRC”	The People’s Republic of China which, for the purpose of this announcement, excludes Hong Kong, Macau Special Administrative Region and Taiwan
“Promissory Note”	the promissory note in the principal amount of HK\$153 million to be issued by the Company to Day’s Holding to settle part of the Consideration under the Agreement, a summary of the principal terms of which are set out in the paragraph headed “Promissory Note” in this announcement
“Purchaser’s Warrantors”	the Company, Mr. Zhang, Best Growth and China OEPC
“Sale Shares”	51 ordinary shares in the share capital of the Target representing 51% of the entire issued share capital of the Target as at the date of the Agreement and Completion
“SGM”	the special general meeting of the Company to be convened and held for the Independent Shareholders to consider and, if thought fit, approve, among other things, the Agreement and the transactions contemplated thereunder including but not limited to the issue of the Consideration CPS and the Promissory Note
“Shanghai Days”	Shanghai Day’s Holding Co., Ltd., a company established in the PRC with limited liability, which will be indirectly wholly-owned by the Target as at the date of Completion

“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 issued Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target”	Great Payment Limited, a company incorporated in the BVI with limited liability, which is wholly-owned by Day’s Holding
“Target Group”	the Target and its subsidiaries from time to time
“Xingyun 1”	Xingyun 1 Limited, a company incorporated in the BVI with limited liability, which is wholly-owned by Mr. Chen
“Xingyun 3”	Xingyun 3 Limited, a company incorporated in the BVI with limited liability, which is wholly-owned by Mr. Li
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“RMB”	Renminbi, the lawful currency of the PRC
“US\$”	United States dollars, the lawfully currency of the United States of America
“%”	per cent.

In this announcement, amounts in RMB are translated into HK\$ on the basis of RMB1 = HK\$1.26. The conversion rate is for illustration purpose only and should not be taken as a representation that RMB could actually be converted into HK\$ at such rate or at all.

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

Hong Kong, 2 April 2015

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