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## **HAO TIAN RESOURCES GROUP LIMITED**

**昊天能源集團有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock code: 00474)**

### **DISCLOSEABLE TRANSACTION IN RELATION TO ACQUISITION OF INTERESTS IN MASCOTTE HOLDINGS LIMITED**

On 7 June 2013, the Purchaser, a wholly-owned subsidiary of the Company, acquired the Sale Bonds in an aggregate principal amount of HK\$90 million through its broker for a total cash consideration of HK\$90 million. Upon full conversion of the Sale Bonds at the prevailing conversion price of HK\$0.09 per Conversion Share (subject to adjustments), 1,000,000,000 Conversion Shares will be issued, representing approximately 10.86% of the issued share capital of Mascotte as at 7 June 2013 as disclosed in the official website of the Stock Exchange and 9.8% of the issued share capital of Mascotte as enlarged by the issue and allotment of the Conversion Shares upon full conversion. Completion of the CB Acquisition took place on 7 June 2013.

On 11 April 2013, the Purchaser acquired 531,575 SMF Shares, representing approximately 5.82% of the issued shares of SMF, from Mascotte pursuant to the Sale and Purchase Agreement at a total cash consideration of HK\$50 million, and upon completion thereof, SMF was held as to approximately 5.82% by the Purchaser and as to approximately 94.18% by Mascotte.

The total cash consideration for the Acquired Interests acquired by the Purchaser was approximately HK\$140 million. The CB Acquisition and the Share Acquisition together constitute a discloseable transaction for the Company under Chapter 14 of the Listing Rules and are subject to the notification and announcement requirements under the Listing Rules.

## **THE CB ACQUISITION**

**Date** : 7 June 2013

**Parties** : the Purchaser, a directly wholly-owned subsidiary of the Company

Chung Nam Securities Limited, the Purchaser's broker

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, Chung Nam Securities Limited, the seller of the Sale Bonds and their respective ultimate beneficial owner(s) are third parties independent of the Company and its connected persons.

### **Sale Bonds to be acquired:**

On 7 June 2013, the Purchaser acquired the Sale Bonds in an aggregate principal amount of HK\$90 million for a total cash consideration of HK\$90 million.

### **Consideration:**

The consideration of HK\$90 million for the CB Acquisition was determined based on the arm's length negotiations between the Purchaser and its broker and it was determined with reference to the closing price of HK\$0.097 per Mascotte Share traded on the Stock Exchange on 7 June 2013. The Directors consider that the consideration for the CB Acquisition is fair and reasonable.

## **Completion:**

The CB Acquisition was effected by means of transfer documents duly signed by the parties on 7 June 2013. The consideration of the CB Acquisition was fully settled in cash by the Purchaser upon completion by the Group's internal resources on 7 June 2013.

## **PRINCIPAL TERMS OF THE SALE BONDS**

Principal Amount	:	HK\$90 million in aggregate
Maturity Date	:	14 July 2014, being 36 months from the date of issue of the Convertible Bonds (" <b>Maturity Date</b> ").
Interest Rate	:	5% p.a., accruing daily and payable semi-annually.
Final Redemption	:	Unless previously redeemed, converted or purchased and cancelled, Mascotte, at its sole and absolute discretion, will redeem each Sale Bond by (i) cash at the Redemption Price (as defined below) or (ii) issuing Mascotte Shares in the amount equivalent to the Redemption Price divided by the Conversion Price on the Maturity Date.
Early redemption at Mascotte's option	:	Mascotte may redeem the Convertible Bonds in whole or in part, at the Redemption Price at any time before the Maturity Date by giving notice in writing to the bondholders (" <b>Company Early Redemption Notice</b> "). Redemption shall take place on the first Business Day falling 30 days after the date of the Company Early Redemption Notice (" <b>Company Early Redemption Date</b> ").

- Redemption Price : The redemption price (“**Redemption Price**”) shall be an amount in Hong Kong Dollars equal to:
- (a) 100% of the principal amount of the Convertible Bonds; plus
  - (b) all interest accrued up to the date of redemption.
- Conversion Option : Each bondholder shall have the right to convert the Convertible Bonds held by it into Mascotte Shares in whole or in part at the Conversion Price on or before the date that is 7 Business Days prior to the earlier of (a) the Maturity Date and (b) the Company Early Redemption Date; provided, however, that no Convertible Bonds may be converted if any such conversion would either (i) result in any person being required to make a general offer for all or part of Mascotte’s issued share capital under the Takeovers Code or (ii) result in Mascotte ceasing to satisfy the minimum public floatation requirement under the Listing Rules.
- Conversion Price : HK\$0.09 (subject to customary adjustment events relating to subdivision or consolidation of shares, capital distributions, bonus issues, rights issues and other dilutive events).

The conversion price of HK\$0.09 per Conversion Share represents:

- (a) a discount of approximately 7.22% to the closing price of HK\$0.097 per Mascotte Share as quoted on the Stock Exchange on 7 June 2013;
- (b) a premium of approximately 1.1% over the average closing price of approximately HK\$0.089 per Mascotte Share for the last 5 consecutive trading days up to and including 7 June 2013; and

- (c) a premium of approximately 7.14% over the average closing price of approximately HK\$0.084 per Mascotte Share for the last 10 consecutive trading days up to and including 7 June 2013.

- Conversion Shares : Upon full conversion of the Sale Bonds at the prevailing conversion price of HK\$0.09 per Conversion Share (subject to adjustments), 1,000,000,000 Conversion Shares will be issued to the Purchaser, represent:
- (a) approximately 10.86% of the issued share capital of Mascotte as at 7 June 2013 as disclosed in the official website of the Stock Exchange; and
  - (b) approximately 9.8% of the issued share capital of Mascotte as enlarged by the Conversion Shares to be issued upon such conversion.
- Ranking : The Conversion Shares, when allotted and issued, will rank pari passu in all respects with all issued Mascotte Shares on the date of the allotment and issue of the Conversion Shares.
- Transferability : Freely transferable except to a connected person of Mascotte.
- Listing : The Sale Bonds are not listed on the Stock Exchange or any other stock exchange.

## **THE SHARE ACQUISITION**

On 11 April 2013, the Purchaser acquired 531,575 SMF Shares, representing approximately 5.82% of the issued shares of SMF, from Mascotte pursuant to the Sale and Purchase Agreement at a total cash consideration of HK\$50 million, and upon completion thereof, SMF was held as to approximately 5.82% by the Purchaser and as to approximately 94.18% by Mascotte. To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, Mascotte and its ultimate beneficial owner(s) is (are) third party(ies) independent of the Company and its connected persons.

The consideration for the acquisition of the SMF Shares was determined by the Purchaser and Mascotte after arm's length negotiations after taking into consideration various factors, in particular, the unaudited net asset value of SMF Group as at 31 March 2013. The total cash consideration of the SMF Shares under the Sale and Purchase Agreement in the amount of HK\$50 million was financed by the Group's internal resources.

Apart from the CB Acquisition and the Share Acquisition, the Group has not acquired any other securities or interest in the Mascotte Group in the twelve-month period immediately preceding the date hereof. The total cash consideration for Acquired Interests acquired by the Purchaser is approximately HK\$140 million.

## **INFORMATION ON THE MASCOTTE GROUP**

The Mascotte Group is principally engaged in the business of manufacturing solar grade polycrystalline silicon in Taiwan, investment and trading of securities, provision of finance, property investment and manufacture and sale of accessories for photographic and multimedia products.

According to the 2012 annual report of Mascotte, the financial information of Mascotte for the two years ended 31 March 2011 and 2012 are set out below:

	<b>For the year ended</b>	
	<b>31 March</b>	
	<b>2012</b>	<b>2011</b>
	<i>(HK\$'000)</i>	<i>(HK\$'000)</i>
	audited	audited
Net (loss) before tax	(629,886)	(240,993)
Net (loss) after tax	(620,790)	(244,313)

According to the interim report of Mascotte for the six months ended 30 September 2012, the consolidated loss before and after tax of Mascotte amounted to approximately HK\$2,399,334 and HK\$2,392,014 respectively.

SMF holds 90% equity interest in SME, which in turn indirectly holds the entire equity interest in SMT. SMT is a limited liability company incorporated in Taiwan. Its principal business is the manufacture of solar grade polycrystalline silicon. SMT developed a new and innovative technology and patented in the USA, Europe, Japan, Taiwan and China the key production reactor for such technology, with a view to significantly reducing the plant development costs, production costs, production hazards and adverse environmental effects of manufacturing solar grade polycrystalline silicon. SMT completed construction of its first polycrystalline silicon production plant in Taiwan in October 2010, which has a designed production capacity of up to 3,500 metric tons.

Set out below is the financial information of the SMF Group for the two years ended 31 December 2011 and 2012, respectively:

	<b>For the year ended</b>	
	<b>31 December</b>	
	<b>2012</b>	<b>2011</b>
	<i>(HK\$'000,000)</i>	<i>(HK\$'000,000)</i>
	unaudited	unaudited
Net (loss) before tax	(55.74)	(27.63)
Net (loss) after tax	(55.74)	(27.63)
Net asset value	287.88	184.67

## **REASONS FOR THE CB ACQUISITION AND THE SHARE ACQUISITION**

The Company is an investment holding company. The Group is principally engaged in the mining, washing and marketing of coking coal in the PRC. As part of the Group's strategy, the Company wishes to shift its business focus from the mining industry into the oil and gas industry and is now actively exploring investment opportunities in green resources and related materials and technologies business.

As the Directors are optimistic towards the prospects and development of green resources and green materials related business, the CB Acquisition and the Share Acquisition enable the Group to increase its investment in green resources related business. The Directors consider that the terms of the CB Acquisition and the Share Acquisition are fair and reasonable and are in the interests of the Company and its shareholders as a whole.

## **GENERAL**

As the applicable percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules in respect of the CB Acquisition and the Share Acquisition are above 5% but less than 25%, the CB Acquisition and the Share Acquisition together constitute a discloseable transaction for the Company under Chapter 14 of the Listing Rules and are subject to the notification and announcement requirements under the Listing Rules.

## **DEFINITIONS**

In this announcement, unless the context otherwise requires, the words and expressions below shall have the following meanings when used herein:

“Acquired Interests”	the Sale Bonds and the SMF Shares
“Board”	the board of Directors
“Business Day”	a day (except a Saturday or Sunday) on which banks are generally open for business in Hong Kong
“CB Acquisition”	the acquisition of the Sale Bonds by the Purchaser
“Company”	Hao Tian Resources Group Limited, a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange
“connected person(s)”	has the meaning ascribed to it in the Listing Rules
“Convertible Bonds”	the convertible bond in the aggregate principal amount of HK\$1,450,000,000 issued by Mascotte on 14 July 2011
“Conversion Share(s)”	new Mascotte Share(s) to be allotted and issued by Mascotte upon exercise of the conversion rights attaching to the Convertible Bonds in accordance with the terms of the Convertible Bonds



“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“Mascotte”	Mascotte Holdings Limited (stock code: 136), a company incorporated in Bermuda with limited liability, the issued shares of which are listed on the Main Board of the Stock Exchange
“Mascotte Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of Mascotte
“Mascotte Group”	Mascotte and its subsidiaries
“PRC”	the People’s Republic of China
“Purchaser”	Hao Tian Management (Hong Kong) Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Company
“Sale Bonds”	the Convertible Bonds in the principal amount of HK\$90 million (forming part of the Convertible Bonds issued by Mascotte) acquired by the Purchaser
“Sale and Purchase Agreement”	the sale and purchase agreement dated 11 April 2013 between Mascotte and the Purchaser in relation to the acquisition of 531,575 SMF Shares by the Purchaser

“Share Acquisition”	the acquisition of the SMF Shares by the Purchaser pursuant to the Sale and Purchase Agreement
“Share(s)”	ordinary share(s) of HK\$0.05 each in the share capital of the Company
“SME”	Sun Mass Energy Limited, a company established in the BVI with limited liability and an indirect wholly owned subsidiary of Mascotte
“SMF”	Sun Mass Funding Corporation, a company established in the BVI with limited liability and a wholly-owned subsidiary of Mascotte as at the date of the Sale and Purchase Agreement
“SMF Group”	SMF, SME, LIH and SMT
“SMF Share(s)”	531,575 shares of a single class of no par value of SMF, representing approximately 5.82% of the issued shares of SMF prior to completion of the Sale and Purchase Agreement
“SMT”	Sun Materials Technology Co., Ltd., a company incorporated with limited liability in Taiwan whose entire issued shares were held by SMF through Lution International Holdings Co., Ltd. (“LIH”), a company incorporated with limited liability in Taiwan and a wholly-owned subsidiary of SMF
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	The Hong Kong Code on Takeovers and Mergers

“HK\$” Hong Kong dollars, the lawful currency of Hong Kong

“%” per cent.

By Order of the Board of  
**Hao Tian Resources Group Limited**  
**Fok Chi Tak**  
*Company Secretary*

Hong Kong, 7 June 2013

*As at the date of this announcement, the Board comprises two executive Directors, namely Mr. Xu Hai Ying and Dr. Zhiliang Ou, JP (Australia) and three independent non-executive Directors, namely Mr. Chan Ming Sun Jonathan, Mr. Ma Lin, and Mr. Lam Kwan Sing.*