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## **HAO TIAN RESOURCES GROUP LIMITED**

**昊天能源集團有限公司**

*(formerly known as “Winbox International (Holdings) Limited 永保時國際(控股)有限公司”)*

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

**(Stock code: 00474)**

### **MEMORANDUM OF UNDERSTANDING RELATING TO A POSSIBLE ACQUISITION AND NOTIFIABLE AND CONNECTED TRANSACTION**

This Announcement is made by the Company pursuant to Rule 13.09 of the Listing Rules.

The Board wishes to announce that on 4 October 2010 (after trading hours), the Purchaser, a wholly-owned subsidiary of the Company, entered into the MOU with the Vendor in relation to the Proposed Acquisition with details set out below. The MOU and the negotiations undertaken in relation thereto are non-legally binding on the parties except for such provisions in the MOU as specified in this Announcement.

The Target Company is a company incorporated in the British Virgin Islands with limited liability. West China, a direct wholly-owned subsidiary of the Target Company, is in the process of acquiring the entire equity interest of Baicheng Wenzhou, a company established in the PRC which operates the Target Mine.

It is expected that the Proposed Acquisition, if proceeded with, would constitute a notifiable and connected transaction for the Company under the Listing Rules. In this regard, the Company will comply with the relevant reporting, announcement and/or independent Shareholders' approval requirements under the Listing Rules.

**The Board wishes to emphasize that no binding agreement in relation to the Proposed Acquisition has been entered into as at the date of this Announcement. Shareholders and/or investors should note that the Proposed Acquisition contemplated under the MOU may or may not proceed. If the Proposed Acquisition materialises, it may constitute a notifiable and connected transaction on the part of the Company. Accordingly, Shareholders are advised to exercise caution when trading in the Shares. Further announcement in respect of the Proposed Acquisition will be made by the Company in the event where the Formal Agreement in relation to the Proposed Acquisition has been entered into by the Company.**

This Announcement is made by the Company pursuant to Rule 13.09 of the Listing Rules.

## **MEMORANDUM OF UNDERSTANDING IN RELATION TO THE PROPOSED ACQUISITION**

The Board wishes to announce that on 4 October 2010 (after trading hours), the Purchaser, a wholly-owned subsidiary of the Company, entered into the MOU with the Vendor in relation to the Proposed Acquisition.

### **PRINCIPAL TERMS OF THE MOU**

#### **(i) Assets to be acquired**

Pursuant to the MOU, the Purchaser intends to acquire from the Vendor, and the Vendor intends to sell to the Purchaser, the entire issued share capital of the Target Company.

#### **(ii) Consideration**

The consideration for the Proposed Acquisition will be determined and agreed between the Purchaser and the Vendor at a later stage.

### **(iii) Conditions Precedent to the Proposed Acquisition**

Completion of the Proposed Acquisition is conditional upon, among other things, the following:

- (1) completion of the acquisition by West China of the entire equity interest in Baicheng Wenzhou, whereupon West China will own the entire equity interest of Baicheng Wenzhou;
- (2) the Purchaser having received a competent person's report issued by such international technical adviser to be agreed between the Purchaser and the Vendor in relation to the Target Mine, such report to cover such matters relating to the Target Mine as requested by the Purchaser and to comply with the relevant requirements of the Listing Rules;
- (3) the Purchaser having received a valuation report issued by such international valuer to be agreed between the Purchaser and the Vendor in relation to the Target Mine, such report to cover such matters relating to the Target Mine as requested by the Purchaser and to comply with the relevant requirements of the Listing Rules;
- (4) the Company having obtained all necessary approvals and consent from the Shareholders in relation to the Proposed Acquisition and/or acquisition of the Target Group;
- (5) all requisite approvals, consent and authorisations required under all applicable laws and regulations (including, without limitation, all applicable PRC and Hong Kong laws and regulations), the Stock Exchange and the Listing Rules in relation to the Proposed Acquisition and/or acquisition of the Target Group having been duly obtained;
- (6) the Purchaser having conducted and completed due diligence on all business, technical, legal and financial matters, and all such other matters as deemed necessary by the Purchaser in its absolute discretion, in relation to the Target Group, and the Purchaser being satisfied with the results of such due diligence in its absolute discretion;

- (7) the Purchaser having obtained a PRC legal opinion issued by its PRC legal advisers covering, among other things, the following, (i) that the Proposed Acquisition and/or acquisition of the Target Group complies with PRC laws and regulations; and (ii) such other matters as the Purchaser may require from time to time; and
- (8) the Purchaser and the Vendor having entered into a Formal Agreement and other relevant documents in relation to the Proposed Acquisition on or before 31 December 2010.

**(iv) Exclusivity**

The Purchaser shall, for the duration of the Validity Period, have the sole and exclusive right to negotiate with the Vendor with the aim of agreeing and executing a definitive agreement in relation to the Proposed Acquisition. During the Validity Period, neither the Vendor nor its related entities shall (i) enter into any agreement or conduct any discussions or negotiations with any other person or entity (other than the Purchaser or its affiliates) in relation to any acquisition of the Target Group (including any member of the Target Group and/or the Target Mine); or (ii) take part, in whatever form or manner, in any transaction relating to the acquisition of the Target Group (including any member of the Target Group and/or the Target Mine) or any other similar transactions, save and except for any such transactions involving the Purchaser or its affiliates.

**(v) Due Diligence**

The Vendor agrees that the Purchaser's representatives and advisers (including its legal advisers, financial advisers and other representatives) shall have the right to conduct due diligence on the Target Group (including, without limitation, the Target Mine) with effect from the date of the MOU.

**(vi) Validity Period**

The MOU shall be valid for the duration of the Validity Period. If the Purchaser and the Vendor fail to enter into a Formal Agreement in relation to the Proposed Acquisition within the Validity Period, the MOU shall be immediately terminated and cease to be of effect.

**(vii) Governing Law**

The MOU shall be governed by, and interpreted in accordance with, the laws of Hong Kong. The Purchaser and the Vendor agree that any disputes relating to the MOU which cannot be resolved between the parties shall be referred to and resolved finally by arbitration at the Hong Kong International Arbitration Centre in accordance with the UNCITRAL Arbitration Rules.

As at the date of this Announcement, no definitive terms have been agreed and no legally binding agreement has been entered into between the Purchaser and the Vendor in relation to the Proposed Acquisition. Save for the provisions relating to exclusivity, Validity Period, confidentiality, the nature of the MOU, fees and expenses and governing law, the terms of the MOU and the negotiations undertaken in relation thereto are not legally binding on the Purchaser and the Vendor.

**INFORMATION ON THE TARGET COMPANY AND TARGET MINE**

As at the date of this Announcement, the Target Company is wholly-owned by the Vendor, which is in turn wholly-owned by Ms. Li. The Target Company holds the entire issued share capital of West China. The Target Mine is wholly-owned and operated by Baicheng Wenzhou. West China has entered into a sale and purchase agreement in relation to its acquisition of the entire equity interest of Baicheng Wenzhou, and the share transfer relating to the said acquisition is currently being processed.

Based on the Preliminary Target Mine Report provided to the Company by the Vendor, the Target Mine is located in Baicheng County, Aksu Prefecture, Xinjiang Uygur Autonomous Region, the PRC. The Target Mine has a coal field area of approximately 5.9178 sq. km., with coal resources of approximately 106 million tonnes and recoverable reserves of approximately 51.248 million tonnes. The coal product of the Target Mine is gas coal and three of its seams are exploitable. The Target Mine is currently in operation.

## **REASONS FOR THE PROPOSED ACQUISITION**

The Group is principally engaged in the mining, washing and marketing of coking coal in the PRC. The Group is also engaged in the design, manufacturing and sales of packaging products.

As mentioned in the annual report of the Company for the year ended 31 March 2010, the Company has just commenced its coal mining business operation. The Company considers the Proposed Acquisition to be an opportunity for the Company to further develop its coal mining business operation and to provide a solid base for the consolidation of coal reserves in enhancing the long-term growth potential of the Group.

## **LISTING RULES IMPLICATIONS FOR POSSIBLE TRANSACTIONS UNDER MOU**

As at the date of this Announcement, Ms. Li, through (1) her controlling interests held in TRXY and Real Power (each being a Substantial Shareholder of the Company) and (2) her being conditionally granted 19,000,000 options under the Share Option Scheme on 27 September 2010 to subscribe for a total of 19,000,000 Shares (such grant of options being subject to independent Shareholders approval), is interested in 1,224,657,991 Shares (representing approximately 67.34% of the issued share capital of the Company as at the date of this Announcement), and is a substantial shareholder and connected person of the Company. The Vendor, being an associate of Ms. Li, is also a connected person of the Company under the Listing Rules.

If the Proposed Acquisition is to proceed, it is expected that the Proposed Acquisition would constitute a notifiable and connected transaction for the Company under the Listing Rules. In this regard, the Company will comply with the relevant reporting, announcement and/or independent Shareholders' approval requirements under the Listing Rules.

**The Board wishes to emphasize that no binding agreement in relation to the Proposed Acquisition has been entered into as at the date of this Announcement. Shareholders and/or investors should note that the Proposed Acquisition contemplated under the MOU may or may not proceed. If the Proposed Acquisition materialises, it may constitute a notifiable and connected transaction on the part of the Company. Accordingly, Shareholders are advised to exercise caution when trading in the Shares. Further announcement in respect of the Proposed Acquisition will be made by the Company in the event where a Formal Agreement in relation to the Proposed Acquisition has been entered into by the Company.**

## DEFINITIONS

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

- “associate(s)” has the meaning ascribed thereto under the Listing Rules;
- “Baicheng Wenzhou” means 拜城溫州礦業開發有限公司 (Baicheng Wenzhou Mining Development Co., Ltd.)\*\*, a company established in the PRC, which, upon completion of West China’s acquisition thereof, will be wholly-owned by West China, and which operates the Target Mine;
- “Board” means the board of Directors;
- “Company” means Hao Tian Resources Group Limited (formerly known as Winbox International (Holdings) Limited), a company incorporated in the Cayman Islands with limited liability whose Shares are listed on the Main Board of the Stock Exchange;
- “connected person(s)” has the meaning ascribed thereto under the Listing Rules;
- “Director(s)” means the director(s) of the Company;
- “Formal Agreement” means the formal sale and purchase agreement(s) in relation to the Proposed Acquisition to be entered into between the Vendor and the Purchaser in such form and structure to be agreed between the Vendor and the Purchaser should the Proposed Acquisition proceed;
- “Group” means the Company and its subsidiaries;
- “HK\$” means Hong Kong dollars, the lawful currency of Hong Kong;
- “Hong Kong” means The Hong Kong Special Administrative Region of the PRC;

“Listing Rules”	means The Rules Governing the Listing of Securities on the Stock Exchange;
“Macau”	means the Macau Special Administration Region of the PRC;
“MOU”	means the non-legally binding (save for provisions on exclusivity, Validity Period, confidentiality, nature of the MOU, fees and expenses and governing law) memorandum of understanding dated 4 October 2010 entered into between the Vendor and the Purchaser in relation to the Proposed Acquisition;
“Ms. Li”	means Ms. Li Shao Yu (李少宇), who through (1) her controlling interests held in TRXY and Real Power; and (2) her being conditionally granted 19,000,000 options under the Share Option Scheme on 27 September 2010 to subscribe for a total of 19,000,000 Shares (such grant of options being subject to independent Shareholders approval), is interested in 1,224,657,991 Shares (representing approximately 67.34% of the issued share capital of the Company as at the date of this Announcement), and is a substantial shareholder and connected person of the Company;
“PRC”	means The People’s Republic of China (which for the purpose of this Announcement excludes Hong Kong, Taiwan and Macau);
“Preliminary Target Mine Report”	means the 新疆拜城縣庫爾阿肯井田一煤礦三號井勘探報告 (Exploration report on No. 3 decline of Mine One, Kueraken Field, Baicheng County, Xinjiang)** dated May 2010 commissioned by Baicheng Wenzhou from 新疆煤田地質局 161隊煤田地質勘探隊(No. 116 Coal Field Geological Brigade of Xinjiang Coal Field Geological Bureau)**;
“Proposed Acquisition”	means the proposed acquisition by the Purchaser from the Vendor of the entire issued share capital of the Target Company;



“Purchaser”	means Champ Universe Limited, a company incorporated in the British Virgin Islands with limited liability, and a wholly owned subsidiary of the Company;
“Real Power”	means Real Power Holdings Limited, which through (1) its holding of 393,953,697 Shares; and (2) its interest in convertible notes in the aggregate principal amount of US\$56,529,633.57, which are convertible into 497,916,866 Shares, is interested in 891,870,563 Shares (representing approximately 49.04% of the issued share capital of the Company as at the date of this Announcement), and is a substantial shareholder and connected person of the Company;
“Share(s)”	means ordinary share(s) in the share capital of the Company, with a par value of HK\$0.05 each;
“Shareholder(s)”	means the shareholder(s) of the Company;
“Share Option Scheme”	means the share option scheme adopted by the Company on 16 May 2006;
“Stock Exchange”	means The Stock Exchange of Hong Kong Limited;
“substantial shareholder(s)”	has the meaning ascribed thereto under the Listing Rules;
“Target Company”	means Venture Path Limited, a company established in the British Virgin Islands with limited liability;
“Target Group”	means the Target Company and all of its subsidiaries, and the Target Mine;
“Target Mine”	means 拜城溫州礦業開發有限公司一礦3號井(No. 3 decline of Mine One of Baicheng Wenzhou Mining Development Co., Ltd)** and is located at Baicheng County, Aksu Prefecture, Xinjiang Uygur Autonomous Region, the PRC;
“TRXY”	means TRXY Development (HK) Limited, which through (1) its controlling interest in Real Power; (2) its holding of 146,216,443 Shares; and (3) its interest in convertible notes in the aggregate principal amount of US\$19,024,714.83, which are convertible into 167,570,985 Shares, is interested in 1,205,657,991 Shares (representing approximately 66.29% of the issued share capital of the Company as at the date of this Announcement), and is a substantial shareholder and connected person of the Company;

“Validity Period”	means the validity period of the MOU commencing from the date of the MOU up to (and including) 31 March 2011;
“Vendor”	means Tai Rong Xin Ye International Power Generation Inc. (泰融信業國際發電有限公司) *, a company incorporated in the British Virgin Islands, which is wholly-owned by Ms. Li;
“West China”	means West China Coal Mining Holdings Limited (西部煤業控股有限公司), a company incorporated in Hong Kong, and a direct wholly-owned subsidiary of the Target Company; and
“%”	means per cent.

By Order of the Board of  
**Hao Tian Resources Group Limited**  
**Yu Tat Chi, Michael**  
*Company Secretary*

Hong Kong, 4 October 2010

*As at the date of this Announcement, the board of directors comprises four Executive Directors, namely Mr. Ma Lishan, Mr. Fung Ka Pun, Mr. Ng Cheuk Fan, Keith and Mr. Mak Yiu Tong; one Non-Executive Director, namely, Ms. Fung Wing Ki, Vicky; and three Independent Non-Executive Directors, namely, Dr. Tam Hok Lam, Tommy, J.P., Mr. Zhu Yongguang and Mr. Chan William.*

\* *Chinese name for identification purpose only*

\*\* *English name is translated for identification purpose only*