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HUSCOKE RESOURCES HOLDINGS LIMITED

和嘉資源控股有限公司

(Incorporated in Bermuda with limited liability)

(Stock code: 704)

MEMORANDUM OF UNDERSTANDING IN RESPECT OF POSSIBLE DISPOSAL OF NOT MORE THAN 23% EQUITY INTERESTS OF A SUBSIDIARY

This announcement is made by Huscoke Resources Holdings Limited (the “**Company**”, together with its subsidiaries as the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board (the “**Board**”) of directors (the “**Directors**”) of the Company announces that on 7 September 2018 (after trading hours), the Company entered into the non-legally binding memorandum of understanding (the “**MOU**”) with Hong Kong Resources Holdings Company Limited (“**HKRH**”) in relation to the Proposed Transaction (as defined below).

THE MOU

Date: 7 September 2018 (after trading hours)

Parties:

- (i) The Company
- (ii) HKRH

HKRH is a company incorporated in Bermuda with limited liability and carrying on business in Hong Kong as HKRH China Limited. The issued HKRH shares (each a “**HKRH Share**”) are listed on the Main Board of the Stock Exchange (stock code: 2882). HKRH and its subsidiaries are principally engaged in trademark licensing and the retailing of gold and

jewellery products in Hong Kong, Macau and Mainland China and trading of precious metals related products.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, HKRH and its ultimate beneficial owner(s) are third parties independent of the Company and its connected persons (as defined under the Listing Rules).

Major terms of the MOU

Pursuant to the MOU, the Company and HKRH shall negotiate in good faith in relation to the proposed transaction (the "**Proposed Transaction**") involving the sale and purchase of not more than 23% of the issued shares (the "**Sale Shares**") of Joy Wisdom International Limited (the "**Target Company**"), which is a company incorporated in the British Virgin Islands with limited liability and an indirect wholly owned subsidiary of the Company. The Target Company is 90% holding company of a PRC subsidiary of the Group, which is principally carrying out coal related business in the PRC.

It is expected that the consideration payable by HKRH in respect of the Sale Shares shall be not less than HK\$160,000,000. The consideration payable by HKRH shall be by way of either issue of new HKRH Shares or issue of convertible bonds convertible into HKRH Shares or combination of above. The parties to the MOU agree that the issue price of the consideration HKRH Shares and the conversion price of convertible bonds shall be HK\$0.23 per HKRH Share.

The Company and HKRH shall negotiate in good faith such that the formal agreement (the "**Formal Agreement**") in respect of the Proposed Transaction shall be entered into within 1 month after the date of the MOU (or such later date as the parties thereto may agree in writing) (the "**Long Stop Date**").

Exclusivity and due diligence

From the date of the MOU until the expiry of the Long Stop Date, the Company shall not and shall procure the Target Company not to directly or indirectly discuss, negotiate, solicit or enter into any understanding, agreement or arrangement with any person other than HKRH relating to the sale and purchase of issued shares of the Target Company.

Forthwith the execution of the MOU, HKRH is entitled on or before the Long Stop Date to conduct reasonable review and inspection of the assets, liabilities, operations and affairs of the Target Company and its subsidiaries.

Term of the MOU

Unless the parties agree to extend the MOU, the MOU shall be terminated upon occurrence of any of the following (whichever is earlier):

- (a) the entering into of the Formal Agreement by the parties to the MOU (or their respective wholly owned subsidiaries); or
- (b) the expiry of the Long Stop Date.

Save and except for the issue price of the consideration shares and the conversion price of the convertible bonds to be issued by HKRH, due diligence, exclusivity, costs, confidentiality and governing laws, the MOU does not create legal binding obligations between the parties thereto.

The Board wishes to emphasize that the MOU does not constitute legally binding commitment in respect of the Proposed Transaction and no Formal Agreement have been entered into between the parties and the Proposed Transaction may or may not be proceeded. Shareholders and potential investors of the Company are urged to exercise caution when dealing in the securities of the Company. Further announcement will be made as and when appropriate in compliance with the Listing Rules.

By the order of the Board of
Husoke Resources Holdings Limited
So Chiu Fung
Executive Director

Hong Kong, 7 September 2018

As at the date of this announcement, the executive Directors of the Company are Mr. Zhao Xu Guang and Mr. So Chiu Fung, the non-executive Directors of the Company are Mr. Wong Siu Hung, Patrick and Mr. Huang Man Yem, the independent non-executive Directors of the Company are Mr. Lam Hoy Lee, Laurie, Mr. Lau Ka Ho and Mr. To Wing Tim, Paddy.