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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)

MAJOR TRANSACTION PROPOSED DISPOSAL OF PROPERTY

The Board of the Company is pleased to announce that on obtaining written consent from Kailuan, the Vendor, a wholly-owned subsidiary of the Company, entered into the Agreement with the Purchaser, an Independent Third Party on 10 September 2014 after trading hours, pursuant to which, the Vendor has conditionally agreed to sell and the Purchaser has conditionally agreed to purchase the Property at a total Consideration of HK\$179.7 million.

As certain applicable percentage ratios (as defined in the Hong Kong Listing Rules) for the Disposal exceeds 25% but is less than 75%, the Disposal constitutes a major transaction for the Company under Chapter 14 of the Hong Kong Listing Rules and is subject to the reporting, announcement and Shareholders' approval requirements under the Hong Kong Listing Rules.

A circular containing, further details of the Disposal and a notice convening a special general meeting of the Company for the purpose of seeking Shareholders' approval of the Disposal, is expected to be dispatched to the Shareholders on or before 3 October 2014.

The Board of the Company is pleased to announce that on obtaining written consent from Kailuan, the Vendor, a wholly-owned subsidiary of the Company, entered into the Agreement with the Purchaser, an Independent Third Party on 10 September 2014 after trading hours, pursuant to which, the Vendor has conditionally agreed to sell and the Purchaser has conditionally agreed to purchase the Property at a total Consideration of HK\$179.7 million subject, inter alia, to the approval of shareholders of the Company.

THE PRELIMINARY SALE & PURCHASE AGREEMENT DATED 10 SEPTEMBER 2014

Parties

- Vendor : OSL, a wholly-owned subsidiary of the Company
- Purchaser : Guarded Success, an Independent Third Party and is principally engaged in property investment. To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, Guarded Success and its ultimate beneficial owners are Independent Third Parties.

Information of the Property

All that portion of the Forty-Second (42nd) Floor of Far East Finance Center, 16 Harcourt Road, Admiralty, Hong Kong registered in the Land Registry as Unit Nos. 4203-4. The Property, occupies approximately 6,363 square feet.

Consideration and payment terms

The consideration of HK\$179.7 million for the Property has been determined after arm's length negotiations between the parties by reference to the prevailing market value of similar properties in the property market in Hong Kong.

According to the Agreement, the consideration for the Property has been paid/shall be payable to the Vendor in the following manner:

- (a) An initial deposit in the sum of HK\$9,000,000 has been paid by the Purchaser to the Vendor's solicitor as stakeholder, who shall not release the same to the Vendor unless it is proven that the balance of the consideration is sufficient to discharge the existing legal charge/mortgage, upon signing of the Agreement; and
- (b) the remaining balance of HK\$170.7 million shall be paid by the Purchaser upon Completion on or before 10 December 2014.

Other Terms

Both Vendor and Purchaser agree a sale and leaseback arrangement on the Property with the formal tenancy agreement signed on the completion date. The tenancy will start right after the completion date with a 6 months term and a monthly rent of HK\$1 (excluding management fees, rates and rents, and other miscellaneous expenses).

Completion

Completion of the Disposal is subject to obtaining the approval for the Disposal from the Shareholders of the Company in a special general meeting.

A circular containing, further details of the Disposal and a notice convening a special general meeting of the Company for the purpose of seeking Shareholders' approval of the Disposal is expected to be dispatched to the Shareholder on or before 3 October 2014.

INFORMATION ON THE COMPANY AND THE GROUP

The Company is an investment holding company. The business of the Company and its subsidiaries (collectively the "Group") is divided into three categories: "Coal-Related Ancillary Business", "Coke Production Business" and "Coke Trading Business".

INFORMATION ON THE PURCHASER

Guarded Success, a company incorporated in the British Virgin Islands is principally engaged in property investment.

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, the Purchaser is an Independent Third Party.

REASONS FOR AND BENEFITS OF THE DISPOSAL

Considering the property market condition in Hong Kong, the Board considers that the Disposal is a good avenue for the Company to unlock the value in the Property. The proceeds from the Disposal will enable the Company to repay its mortgages and part of the HK\$220 million deposit received by the Group from Kailuan in relation to the Annual Coke S&P Agreement. This helps to improve the working capital condition of the Group.

Further details of the Annual Coke S&P Agreement are set out in the Company's announcements dated 23 May 2013, 29 May 2013, 23 May 2014 and 29 August 2014.

The Board (including independent non-executive Directors) considers that the Agreement was entered into after arm's length negotiation between the Company and the Purchaser and the terms therein are in accordance with the normal practice in the property market and the Disposal is fair and reasonable and in the interest of the Company and the Shareholders as a whole.

POSSIBLE FINANCIAL EFFECT ON THE DISPOSAL

Considering the carrying amount of approximately HK\$103.6 million as at 30 June 2014 of the Property, upon completion of the Disposal, would result in a gain in approximately HK\$74.3 million after tax and expenses is expected to accrue to the Group. This is inclusive of various direct costs attributable to the Disposal in particular, legal costs and property agent fees, etc.

The finance costs are expected to reduce by approximately HK\$1.8 million per annum after repayment of the mortgage loan attributable to the Property.

USE OF PROCEEDS

The proceeds from the Disposal will enable the Company to repay mortgages outstanding in respect of the Property totaling approximately HK\$67.8 million. The balance of the proceeds from the Disposal will be used to repay part of the HK\$220 million deposit received by the Group from Kailuan in relation to the Annual Coke S&P Agreement.

HONG KONG LISTING RULES IMPLICATION

As certain applicable percentage ratios (as defined in the Hong Kong Listing Rules) for the Disposal exceeds 25% but is less than 75%, the Disposal constitutes a major transaction for the Company under Chapter 14 of the Hong Kong Listing Rules and is subject to the reporting, announcement and Shareholders' approval requirements under the Hong Kong Listing Rules.

A circular containing, among other information, further details of the Disposal is expected to be dispatched to the Shareholders on or before 3 October 2014.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meaning:

“Agreement”	the preliminary sale and purchase agreement dated 10 September 2014 entered into between the Vendor and the Purchaser in respect of the Disposal;
“Annual Coke S&P Agreement”	an agreement dated 22 May 2013 and made between the Company, Kailuan and Mr. Wu Jixian, a non-executive Director and a substantial shareholder of the Company, for the supply of coke for one-year, which involved (among other matters) a second mortgage over the Property;
“Board”	the board of Directors;
“Company”	Huscoke Resources Holdings Limited, an exempt company incorporated in Bermuda with limited liability, the shares of which are listed on the HKSE;
“Completion”	completion of the Disposal;

“Consideration”	the consideration payable by the Purchaser to the Vendor for the Disposal pursuant to the Agreement;
“Director(s)”	the director(s) of the Company;
“Disposal”	the disposal of the Property by the Vendor to the Purchaser pursuant to the Agreement;
“Group”	the Company and its subsidiaries;
“Guarded Success” or “Purchaser”	Guarded Success Limited, a company incorporated in the British Virgin Island, and an Independent Third Party principally engaged in property investment
“HKSE”	The Stock Exchange of Hong Kong Limited;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;
“Kailuan”	Kailuan (Hong Kong) International Co., Ltd.
“Independent Third Party”	person or company and their respective ultimate beneficial owner which, to the best of the Directors’ knowledge, information and belief, having made all reasonable enquiries, are third parties independent of and not connected with the Company and its connected persons;
“OSL” or “Vendor”	Ocean Signal Limited, a company incorporated in Hong Kong and a wholly-owned subsidiary of the Company;
“Property”	All that portion of the Forty-Second (42nd) Floor of Far East Finance Center, 16 Harcourt Road, Admiralty, Hong Kong registered in the Land Registry as Unit Nos. 4203-4. The Property, occupies approximately 6,363 square feet;
“Share(s)”	ordinary share(s) of HK\$0.1 each in the share capital of the Company;

“Shareholder(s)” holder(s) of the Shares;

“%” per cent.

By Order of the Board
Huscoke Resources Holdings Limited
Li Baoqi
Executive Officer

Hong Kong, 10 September 2014

As at the date of this announcement, the executive directors of the Company are Mr. Gao Jianguo and Mr. Li Baoqi, the non-executive director of the Company is Mr. Wu Jixian and the independent non-executive directors of the Company are Mr. Lam Hoy Lee, Laurie, Mr. Lau Ka Ho and Mr. To Wing Tim, Paddy.