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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)

website: <http://www.huscoke.com>

NON-BINDING MEMORANDUM OF UNDERSTANDING AND APPOINTMENT OF COORDINATOR AND ARRANGER IN RELATION TO THE PROPOSED FINANCING

This announcement is made pursuant to Rule 13.09(1) of the Listing Rules.

The Board wishes to announce that on 14 September 2010, the Company and Golden Rock entered into a non-binding memorandum of understanding containing, among other terms, the parties' intention to discuss the proposed cooperation in the construction of a coking plant with a projected annual production capacity of approximately two million tonnes.

On 14 September 2010, the Company entered into an agreement engaging an international financial institution to act as a coordinator and arranger in connection with the proposed financing to fund the Proposed Transactions.

Memorandum of understanding

This announcement is made pursuant to Rule 13.09(1) of the Listing Rules.

The board (the "**Board**") of directors (the "**Directors**") of Huscoke Resources Holdings Limited (the "**Company**") wishes to announce that on 14 September 2010, the Company and 孝義市金岩電力煤化工有限公司 (Xiaoyi City Golden Rock

Electricity Coal Chemical Company Limited) (“**Golden Rock**”), who is a 9% equity holder of the Group’s PRC subsidiary, GRG Huscoke (Shan Xi) Ltd. (山西金岩和嘉能源有限公司), entered into a non-binding memorandum of understanding (“**Second MOU**”) containing, inter alia, the parties’ intention to discuss the proposed construction of a coking plant with a projected annual production capacity of approximately two million tonnes. On 23 August 2010, the Company and Golden Rock signed a memorandum of understanding (“**First MOU**”) for the proposed acquisition of coking coal mines held by Golden Rock or its controlling shareholder and in June 2010 the Group completed the acquisition of coke processing facilities and become an integrated coke producer and exporter in the PRC. The Directors decided to further expand the production capacities by cooperating with Golden Rock to construct the proposed new coking plant and to acquire coking coal mine to secure the supply of raw materials.

The Second MOU is valid for six months at the date of signing, pursuant to which, the Group will commence its due diligence work in connection with the proposed construction of the new coking plant.

Engagement of a coordinator and arranger

Regarding the transactions set forth in the First MOU and the Second MOU (collectively, the “**Proposed Transactions**”), the Company entered into an agreement (“**Engaging Agreement**”) on 14 September 2010 engaging an international financial institution to act as a coordinator and arranger in connection with the proposed financing to fund the Proposed Transactions.

The Board wishes to remind the shareholders of the Company that there is no assurance that binding agreement(s) will be signed between parties. The Proposed Transactions may or may not constitute a notifiable transaction under the Listing Rules. Further announcement(s) in relation to the Proposed Transactions, if such constitutes a notifiable transaction, will be made by the Company as and when appropriate in compliance with the Listing Rules.

The Board wishes to emphasize that the First MOU and the Second MOU are not legally binding and the Proposed Transactions may or may not proceed individually or collectively. Also, the Engaging Agreement is not an express or implied agreement by the international financial institution to provide any financing, to underwrite, place or purchase any securities or other financial services. **Shareholders of the Company and public investors are urged to exercise caution when dealing in the Shares.**

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

Hong Kong, 14 September 2010

As at the date of this announcement, the executive Directors are Mr Wu Jixian, Mr Li Baoqi, and Mr Cheung Ka Fai, and the independent non-executive Directors are Mr Lam Hoy Lee Laurie, Mr Wan Hon Keung and Mr To Wing Tim, Paddy.