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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**

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

The Board would announce that on 22 August 2010, the Company and the Potential Seller entered into a non-binding MOU containing, among other terms, the parties' intention to discuss on the proposed acquisition from the Potential Seller or its controlling shareholder of all or parts of their interests in those coking coal mines in the Shanxi Province of the PRC by the Group.

#### **Entering into a non-binding MOU**

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

Huscoke Resources Holdings Limited (the “**Company**” together with its subsidiaries, the “**Group**”) hereby announce that on 22 August 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) (“**Potential Seller**”), 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 (“**MOU**”) containing, inter alia, the parties’ intention to discuss on the proposed acquisition from the Potential Seller or its controlling shareholder of all or parts of their interests in those coking coal mines in the Shanxi Province of the PRC by the Group (“**Proposed Transaction**”). In June 2010, the Group has completed the acquisition of the coke processing facilities and become an integrated coke producer and exporter in the PRC. The board (the “**Board**”) of directors (the “**Directors**”) of the

Company consider that coking coal mining, being the upstream of the Group's coke production, will enable the Group to secure the supply of its raw material.

Under the MOU, the Potential Seller has undertaken that the Group get the first priority to acquire the related interests within six months from the date of signing the MOU and during this six months, the Group will commence the due diligence works of the related coal mines.

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 Transaction may or may not constitute notifiable transactions under the Listing Rules. Further announcement(s) in relation to the Proposed Transaction, if such constitutes notifiable transactions, will be made by the Company as and when appropriate in compliance with the Listing Rules.

The Board wishes to emphasize that since the MOU is not legally binding and the transactions under the MOU may or may not proceed. **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, 23 August 2010

*As at the date of this announcement, the executive Directors are Mr Wu Jixian, Mr Li Baoqi, Mr Chim Kim Lun, Ricky 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.*