THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Huscoke Resources Holdings Limited, you should at once hand this circular and the enclosed form of proxy to the purchaser(s) or the transferee(s), or to the bank, licensed securities dealer or registered institution or other agent through whom the sale or the transfer was effected for transmission to the purchaser(s) or the transferee(s).

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

(i) VERY SUBSTANTIAL ACQUISITION IN RELATION TO THE ACQUISITION OF COKE PROCESSING ASSETS AND (ii) NOTICE OF SPECIAL GENERAL MEETING

A notice convening the special general meeting to be held at Vinson Room, Pacific Place Conference Centre, 5/F, One Pacific Place, 88 Queensway, Hong Kong at 10:30 a.m. on Monday, 22 February 2010 (or any adjournment thereof) is set out on pages SGM-1 to SGM-3 of this circular. Form of proxy for use in the special general meeting is enclosed. Whether or not you propose to attend the meeting, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon as soon as possible and in any event not less than 48 hours before the time appointed for holding of the special general meeting or any adjourned meeting thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the meeting or any adjourned meeting thereof, should you so desire.

29 January 2010

CONTENTS

In this circular, unless the context otherwise requires, the following terms or expressions shall have the meanings set out below:

"18-Month Promissory Note"	the promissory note to be issued at Completion by the Purchaser as part of the Acquisition Price with the maturity date falling on the expiry of 18 months after the day of issue of the note
"36-Month Promissory Note"	the promissory note to be issued at Completion by the Purchaser as part of the Acquisition Price with the maturity date falling on the expiry of 36 months after the day of issue of the note
"Acquisition"	the proposed acquisition of the Coke Processing Assets by the Purchaser from the Vendor pursuant to the Sale and Purchase Agreement
"Acquisition Price"	initially RMB639.13 million (equivalent to approximately HK$726.28 million) (subject to adjustment), being the consideration for the Coke Processing Assets under the Sale and Purchase Agreement
"Announcement"	the announcement of the Company dated 17 December 2009 in relation to the Acquisition
"associate(s)"	has the meaning ascribed to it under the Listing Rules
"Board"	the board of Directors
"Business Day"	a day (other than Saturday and Sunday) on which licensed banks in Hong Kong are generally open for business throughout their normal business hours
"Closing Conditions"	the conditions precedent to Completion as set out in the Sale and Purchase Agreement
"Coke Processing Assets"	plant and machineries to be acquired by the Purchaser under the Sale and Purchase Agreement
"Company"	Huscoke Resources Holdings Limited 和嘉資源控股有限公司, a company incorporated in Bermuda with limited liability, the Shares of which are listed on the Stock Exchange

"Completion"	the completion of the Acquisition
"connected person(s)"	has the meaning given to that term in the Listing Rules
"Director(s)"	director(s) of the Company
"Enlarged Group"	the Group as enlarged by the Acquisition
"Group"	the Company and its subsidiaries
"HK Valuers"	B.I. Appraisals Limited, an independent valuer appointed by the Company to compile the Valuation Reports
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Independent Third Party (Parties)"	third party (parties) independent of the Company and its connected persons
"Latest Practicable Date"	27 January 2010, being the latest practicable date before the printing of this circular for the purpose of ascertaining certain information for inclusion in this circular
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Longstop Date"	31 March 2010 or such other date as the Vendor and the Purchaser may agree in writing
"PRC"	People's Republic of China which, for the purpose of this circular, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
"Promissory Notes"	the 18-Month Promissory Note and the 36-Month Promissory Note

"Purchaser"	GRG Huscoke (Shan Xi) Ltd.（山西金岩和嘉能源有限公司）, an equity joint venture Company with limited liability incorporated in the PRC which is beneficially owned as to 90% by the Company, 9% by the Vendor and 1% by an Independent Third Party
"Sale and Purchase Agreement"	the conditional sale and purchase agreement dated 10 December 2009 entered into between the Vendor and the Purchaser in relation to the Acquisition
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
"SGM"	the special general meeting to be convened by the Company for considering, and if thought fit, approving, among other things, the Sale and Purchase Agreement and the transactions contemplated thereby
"Share(s)"	ordinary shares of HK$0.10 each in the share capital of the Company
"Shareholder(s)"	holder(s) of the Shares
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Valuation Reports"	valuation reports dated 29 January 2010 in respect of the Coke Processing Assets and the Enlarged Group, the text of which are set out in Appendices IV and V to this circular, respectively
"Vendor"	孝義市金岩電力煤化工有限公司 (Xiaoyi City Golden Rock Electricity Coal Chemical Company Limited*)
"Warranties"	the warranties and representations given by the Vendor under the Sale and Purchase Agreement
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong

"RMB"	Renminbi, the lawful currency of PRC
"%"	per cent.

For illustrative purpose, the conversion rate between HK$ and RMB is at HK$1.00 = RMB0.88.

* *the unofficial English translation for identification purpose only*

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

Executive Directors:
Mr. Wu Jixian
Mr. Li Baoqi *(Acting Chairman)*
Mr. Chim Kim Lun, Ricky
Mr. Cheung Ka Fai

Independent Non-executive Directors:
Mr. Lam Hoy Lee, Laurie
Mr. Wan Hon Keung
Mr. To Wing Tim, Paddy

Registered Office:
Canon's Court
22 Victoria Street
Hamilton HM12
Bermuda

Principal Office in Hong Kong:
Room 4205
Far East Finance Center
16 Harcourt Road
Admiralty
Hong Kong

29 January 2010

To the Shareholders

Dear Sir/Madam,

(i) VERY SUBSTANTIAL ACQUISITION IN RELATION TO THE ACQUISITION OF COKE PROCESSING ASSETS AND (ii) NOTICE OF SPECIAL GENERAL MEETING

INTRODUCTION

On 17 December 2009, the Board announced that on 10 December 2009, the Purchaser and the Vendor entered into the Sale and Purchase Agreement, pursuant to which the Purchaser agreed to acquire from the Vendor the Coke Processing Assets at an initial consideration of approximately RMB639.13 million (equivalent to approximately HK$726.28 million) (subject to adjustment) in accordance with the terms and conditions as set out in the Sale and Purchase Agreement.

The purpose of this circular is to provide you with, amongst other things, (i) further details of the Acquisition and the Promissory Notes; (ii) information required under Chapter 14 of the Listing Rules; (iii) the valuation report of the Coke Processing Assets prepared by the HK Valuers as set out in Appendix IV to this circular; (iv) the valuation report on the Enlarged Group's properties prepared by the HK Valuers as set out in Appendix V to this circular and (v) a notice of the SGM.

THE SALE AND PURCHASE AGREEMENT

Date: 10 December 2009 (after the trading hours)

Parties:

Vendor : 孝義市金岩電力煤化工有限公司 (Xiaoyi City Golden Rock Electricity Coal Chemical Company Limited*)

Purchaser : GRG Huscoke (Shan Xi) Ltd. (山西金岩和嘉能源有限公司)

The Purchaser is incorporated in the PRC and an indirect 90%-owned subsidiary of the Company. The Vendor is a 9% equity holder of the Purchaser. Save for the above, the Directors confirm that, to the best of the Directors' knowledge, information and belief having made all reasonable enquiry, the Vendor and its ultimate beneficial owners are third parties independent of the Company and its connected persons.

The Vendor is a limited liability company established in the PRC in 1999 and is principally engaged in coal and coke manufacturing and trading and related businesses.

Assets to be acquired

Pursuant to the Sale and Purchase Agreement, the Vendor has agreed to sell and the Purchaser has agreed to purchase the Coke Processing Assets subject to the terms and conditions as set out in the Sale and Purchase Agreement.

The information regarding the Coke Processing Assets is set out in the paragraph headed "Information on the Coke Processing Assets" below.

Acquisition Price

Pursuant to the Sale and Purchase Agreement, the Acquisition Price is initially approximately RMB639.13 million (equivalent to approximately HK$726.28 million) and shall be satisfied in the following manner:

(i) 30% of the Acquisition Price by the Purchaser's issue to the Vendor the 18-Month Promissory Note (i.e. based on the current initial Acquisition Price, the 18-Month Promissory Note will amount to approximately HK$217.9 million);

(ii) 30% of the Acquisition Price by the Purchaser's issue to the Vendor the 36-Month Promissory Note (i.e. based on the current initial Acquisition Price, the 36-Month Promissory Note will amount to approximately HK$217.9 million); and

(iii) the remaining 40% of the Acquisition Price by way of cash payable within one year after the Completion (i.e. based on the current initial Acquisition Price, HK$290.5 million of cash will be paid to the Vendor).

The Acquisition Price was determined after arm's length negotiation with reference to the fair value (substantially based on net asset value) of the Coke Processing Assets of approximately RMB620.23 million as at 31 July 2009 based on a valuation report ("**PRC Valuation Report**") issued by a firm of PRC valuers on 20 October 2009 and other miscellaneous parts, accessories and work-in-progress materials of approximately RMB18.9 million. The PRC valuers were engaged by the Vendor.

The Company has engaged the HK Valuers to conduct an independent valuation on the fair value of the Coke Processing Assets. As stated in the Announcement, in the event that the difference between the fair value of the Coke Processing Assets assessed by the HK Valuer and that stated in the PRC Valuation Report is no more than 5%, the Acquisition Price shall not be adjusted. If the difference is more than 5%, the parties will enter into discussion with a view to adjusting the Acquisition Price to reflect the fair value of the Coke Processing Assets. As set out in the valuation report on the Coke Processing Assets in Appendix IV to this circular, the market value of the Coke Processing Assets as at 31 December 2009 was RMB644.1 million. As the difference between the market value of the Coke Processing Assets assessed by the HK Valuer is within 5% of the amount of the Coke Processing Assets stated in the PRC valuation Report, no adjustment will be made to the Acquisition Price.

Given that the Acquisition Price is determined (and, if necessary, adjusted) with reference to the fair value of the Coke Processing Assets, the Directors (including the independent non-executive Directors) consider that the Acquisition Price to be fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Closing Conditions

Completion is subject to the following conditions being fulfilled and remaining satisfied at the Completion (or, where applicable, waived by the Purchaser pursuant to the Sale and Purchase Agreement):

(a) compliance by the Company of (or, as the case may be, obtaining of waiver from) requirements under the Listing Rules as may be applicable in connection with the Sale and Purchase Agreement and the transactions contemplated thereby;

(b) the passing by the Shareholders (or, as the case may be, the independent Shareholders) in general meeting of the necessary resolutions for approving the Sale and Purchase Agreement and the transactions contemplated thereby;

(c) (if required) all requisite waivers, consents and approvals from any relevant governmental or regulatory authorities or other relevant third parties in connection with the Acquisition contemplated by the Sale and Purchase Agreement having been obtained by the Purchaser, Vendor and the Company;

(d) the Purchaser being reasonably satisfied with the results of the due diligence exercise (whether legal, accounting, financial, operational or other aspects that the Purchaser, its agents or professional advisers consider necessary or relevant to conduct) on the Coke Processing Assets, its operation and legal status;

(e) the Purchaser being satisfied that, from the date of the Sale and Purchase Agreement and at any time before the Completion, the Warranties given by the Vendor under the Sale and Purchase Agreement remain true and accurate and not misleading nor being in breach in any material respect and that no events have suggested that there were any breaches of the Warranties or other provisions of the Sale and Purchase Agreement by the Vendor; and there are no improper operation, or any material adverse change or any undisclosed risk on the business or other transaction aspects or status (including assets, financial and legal status), operation and performance on Coke Processing Assets;

(f) fund-raising exercise or debt financing being effected by the Purchaser or its affiliated companies in the PRC (including Hong Kong) for the payment of the 40% of the Acquisition Price payable by way of cash within one year after the Completion (Note); and

(g) the delivery to the Purchaser of a PRC legal opinion (in form and substance satisfactory to the Purchaser) from a PRC legal adviser and such PRC legal opinion shall cover the legality of the Sale and Purchase Agreement and the transactions contemplated thereby under the PRC law; the validity of the legal titles of the Coke Processing Assets and the conduct of business in connection with the Coke Processing Assets having been approved and registered in the relevant authorities.

The Purchaser may at its absolute discretion at any time waive in writing any of the Closing Conditions referred to in (c), (d), (e), (f) and (g) above (to the extent it is capable of waiving) and such waiver may be made subject to such terms and conditions as are determined by the Purchaser. The Closing Conditions referred to in (a) and (b) above cannot be waived by the parties to the Sale and Purchase Agreement.

If the Closing Conditions are not wholly fulfilled (or, as the case may be, waived by the Purchaser save for conditions (a) or (b) which are not waivable) on the Longstop Date, the Sale and Purchase Agreement shall cease and terminate and none of the parties to the Sale and Purchase Agreement shall have any obligations and liabilities thereunder save for any antecedent breaches.

Note: As at the Latest Practicable Date, the Directors intend to finance such cash payment by debt financing methods (including but not limited to bank loans). In view of (i) the steady sources of income provided by the Group's existing coke trading and coal related ancillary businesses; and (ii) the track record of the coke processing business (see the paragraph headed "Information on the Coke Processing Assets"), the Directors also intend to settle the Promissory Notes by the Group's internal resources.

Completion

Subject to the satisfaction or (where applicable) waiver of the Closing Conditions, Completion shall take place at 10:00 a.m. (Hong Kong time) on the third Business Day following the date on which the last Closing Condition is fulfilled or (where applicable) waived (or at such other time and/or date as the Vendor and the Purchaser may agree).

PROMISSORY NOTES

The principal terms of the Promissory Notes are as follows:

Issuer:	The Purchaser
Maturity:	30% of the Acquisition Price will be on the expiry of 18 months from the date of issue of the 18-Month Promissory Note (i.e. the date of Completion)

	30% of the Acquisition Price will be on the expiry of 36 months from the date of issue of the 36-Month Promissory Note (i.e. the date of Completion)
Transferability:	The Promissory Notes are transferable
Coupon rate:	Zero
Security:	No security will be provided by the Purchaser (as issuer of the Promissory Notes) in respect of its obligations under the Promissory Notes
Repayment:	At the sole discretion of the Purchaser, the Promissory Notes or such part thereof may be repaid prior to maturity. Otherwise, payment of principal amount of Promissory Notes shall be made upon their respective dates of maturity.

INFORMATION ON THE COKE PROCESSING ASSETS

The Coke Processing Assets, which include coke ovens and coking coal towers, are located in Xiaoyi City, Shangxi, the PRC. At present, the Coke Processing Assets are being operated by approximately 440 staff with an annual production capacity of 800,000 tons of coke.

Under the Sale and Purchase Agreement, it does not provide nor contemplate that the Vendor will transfer to the Purchaser any of its existing customers, suppliers and/or any staff or personnel relating the Coke Processing Assets or any contractual rights made with such existing customers, suppliers and/or staff or personnel. It is expected that a majority of the existing personnel of the coke processing business may be retained for the daily operation, and where appropriate, suitable new personnel will be recruited. The Company may also invite person(s) who has substantial experience in coke processing business to join the Board to participate in the management of the newly acquired business.

The Coke Processing Assets are stated at cost less accumulated depreciation and any accumulated impairment losses in accordance with accounting principles generally accepted in Hong Kong.

Depreciation is provided to write off the cost of the Coke Processing Assets over their estimated useful lives and after taking into account of their estimated residual value, using the straight line method.

Based on the unaudited financial information provided by the Vendor, the unaudited net profit before tax and extraordinary items attributable to the Coke Processing Assets for the year ended 31 December 2007 and 2008 were approximately RMB131 million and RMB248 million. For the year ended 31 December 2007 and 2008, the unaudited net profit after tax and extraordinary items attributable to the Coke Processing Assets were approximately RMB88 million and RMB186 million. The valuation of the Coke Processing Assets amounted to approximately RMB644.1 million as at 31 December 2009. The details of financial information on the Coke Processing Assets are set out in Appendix II to this circular.

According to the valuation report on the Coke Processing Assets set out in Appendix IV to this circular, the HK Valuers have not been provided by the Company with copies of title documents relating to the buildings and structures for the fixed assets held by the Vendor ("**Buildings**"). In the course of their valuation, they have relied on the advice given by the Vendor regarding the title to the Buildings and the legal opinion ("**PRC Legal Opinion**") prepared by 山西晉義律師事務所 (Shanxi Jin Yi Law Firm), the Group's legal advisor on PRC law, regarding the title to and the interest of the Vendor in the Buildings.

Major contents of the PRC Legal Opinion dated 25 January 2010 is summarized as follows:

(a) As the Buildings were built by the Vendor, the ownership of the Buildings is naturally vested in the Vendor and there is no dispute with other third party in such ownership.

(b) Though the Vendor has not yet registered the ownership of the Buildings, protection of its ownership under the PRC law is not prejudiced.

(c) The Buildings are free from any third party rights and are not distrained upon by any judicial and arbitration authorities nor being subject to administrative penalty from local government on such reason as illegal construction. There is no limitation in the right to use the Buildings.

(d) According to Article 68 of《中華人民共和國物權法》(Law on Property Rights of the PRC), which states that "Business enterprise enjoys, in accordance with the law and administrative regulations, the rights to occupy, use, make profit and dispose of its current and fixed assets", the Vendor has the right to transfer to the Purchaser the Buildings.

Apart from the PRC Legal Opinion, to verify the legality for the ownership and transfer of the Building, the representatives of the Purchaser have visited the 孝義市國土資源局 (Xiaoyi City Land and Resources Bureau*) ("**Bureau**") to discuss the legality for such transfer. The official of the Bureau stated clearly that it is the common practice for those Shanxi corporations to own the buildings on rented land. As the original builder of the Buildings, the Vendor has their legal right to use or sell the Buildings and their rights are protected by the PRC legislation.

Also, for the proposed Acquisition of the Coke Processing Assets, the Vendor has applied for the approval from the 山西省發展和改革委員會 (Shanxi Development and Reform Commission) ("**Commission**"). Pursuant to its approval document dated 23 November 2009, the transfer of the related asset from the Vendor to the Purchaser, including but not limited to the Buildings, has been approved by the Commission.

Taken into consideration (i) the oral confirmation made by the official of the Bureau; (ii) the approval document issued by the Commission and (iii) the PRC Legal Opinion, the Directors of the Company considered that the transfer of the ownership of the Buildings is legal and protected by the PRC laws.

REASONS FOR THE ACQUISITION

The Group is principally engaged in coke trading and coal related ancillary businesses.

In 2008, the Group completed the acquisitions of two businesses, i.e. the coke trading and the coal related ancillary businesses on 16 May 2008 and 31 October 2008 respectively. These two businesses accounted for the Group's revenue for the financial year ended 31 December 2008 by approximately HK$676.3 million and HK$217.4 million, respectively.

On 13 May 2008, the Company announced the entering into of an agreement for the acquisition of a company which intended to own certain coke processing assets of 800,000 tons which was then proposed to be acquired from a connected person of the Company at a consideration of HK$2,400 million ("Previous Acquisition"). Such coke processing assets were substantially identical to those of the Coke Processing Assets. The consideration of the Previous Acquisition was determined based on, among other factors, the price earnings multiple of 8 times and the profit guarantee of HK$300 million given by such connected person of the Company. On 2 February 2009, the Company announced that the Previous Acquisition lapsed due to failure of satisfaction or waiver of some of the closing conditions (including the obtaining of the operating licenses by one of the previous target companies and the receipt of a legal opinion on the PRC laws) by the long stop date in respect of the Previous Acquisition. In view of the uncertainty on the economic downturn in early 2009 and the substantial amount of the consideration for the Previous Acquisition, the Board considered that the lapse of the Previous Acquisition was in the interest of the Company and its Shareholders as a whole.

The end product of the Group's coal related ancillary business is the refined coal which is the raw material of the coke processing business. The end product of the coke processing business is coke. Therefore, the Board considers that the coke processing business, being the upstream of the Group's coke trading business and downstream of the coal-related ancillary business, will enable the Group to complete its coal business operations. Besides, the vertical integration of the coke processing business will enable the Group to have synergy to the trading of coke business engaged by the Group. Based on the above reason and the Acquisition Price is determined based on the fair value of the Coke Processing Assets (currently based on substantially net asset value), the Board are of the view that the Acquisition is fair and reasonable and in the interests of the Company and its Shareholders as a whole.

FINANCIAL EFFECTS OF THE ACQUISITION ON THE GROUP

Loss

The Group recorded an audited consolidated loss attributable to the equity holders of the Company of approximately HK$1,858.2 million for the year ended 31 December 2008. According to the unaudited pro forma consolidated income statement of the Enlarged Group set out in Appendix III to this circular, the unaudited consolidated loss attributable to the equity holders of the Enlarged Group would be approximately HK$1,700.6 million after the completion of Acquisition.

Assets

As at 30 June 2009, the unaudited total assets of the Group were approximately HK$2,809.5 million. As set out in the unaudited pro forma consolidated statement of financial position of the Enlarged Group set out in Appendix III to this circular, the unaudited pro forma total assets of the Enlarged Group would be increased by approximately HK$679.8 million to approximately HK$3,489.3 million.

Liabilities

The Group recorded unaudited total liabilities of approximately HK$1,024.9 million as at 30 June 2009. As set out in the unaudited pro forma consolidated statement of financial position of the Enlarged Group set out in Appendix III to this circular, the unaudited pro forma total liabilities of the Enlarged Group would be increased by approximately HK$679.9 million to approximately HK$1,704.8 million. The increase is mainly attributable to the issuance of promissory notes and raising of a long-term bank loan. The

Directors are of the view that there would not be any material capital commitment nor contingent liability arising from Acquisition that will have material adverse impact on the financial position of the Group immediately after the completion of Acquisition.

FINANCIAL AND TRADING PROSPECTS

As the Group started engaging in trading of coke business and the coal-related ancillary business, the Directors consider that the coke processing business, being the upstream of the Group's coke trading business and downstream of the coal-related ancillary business, will enable the Enlarged Group to complete its coal business operation. Besides, the vertical integration of the coke processing business will enable the Enlarged Group to have synergy to the trading of coke business recently engaged by the Group. With the existing clienteles as well as the existing revenue base of the Group, the Directors believe that the Enlarged Group will be able to widen its source of income by diversifying its business into prospective energy related business and improving the Enlarged Group's profitability by broadening its business scope.

In view of the increase in demand for coal around the world, the Directors are optimistic about the performance of the Enlarged Group as the Group's investment in the coal-related business is expected to improve the Enlarged Group's profitability, sustain its growth momentum, and broaden the revenue stream of the Enlarged Group.

IMPLICATION FROM THE LISTING RULES

Since the applicable percentage ratios are more than 100%, the Acquisition constitutes a very substantial acquisition for the Company under Chapter 14 of the Listing Rules. As no Shareholders have any material interest in the Acquisition, no Shareholders are required to abstain from voting at the SGM on the resolution to approve the Sale and Purchase Agreement and the transactions contemplated thereunder.

WAIVER APPLICATION OF RULE 14.69(4)(b)(i) OF THE LISTING RULES

Pursuant to Rule 14.69(4)(b)(i) of the Listing Rules, the Company is required to include in this circular the financial information of the Coke Processing Assets (i.e. a profit and loss statement for the three preceding financial years under Rule 14.69(4)(b)(i) of the Listing Rules), for the relevant period comprising each of the three financial years immediately preceding the issue of this circular.

Set out in the Appendix II to the Circular are the financial information of the Coke Processing Assets covering the financial years ended 31 December 2006, 2007 and 2008 and the nine-month periods ended 30 September 2008 and 2009.

To the best knowledge of the Directors, the financial information for the year ended 31 December 2009 of the Coke Processing Assets will only be ready by the end of March 2010. As such, there will be a delay in the issuance of this circular and, in turn, the completion of the Acquisition and the Directors consider that such delay is not in the interests of the Company and the Shareholders as a whole.

Based on the above reason, the Company has applied to the Stock Exchange for a waiver from the strict compliance with the requirements under Rule 14.69(4)(b)(i) of the Listing Rules and the Directors confirmed that they have performed suffiecnt due diligence on the Coke Processing Assets to ensure that, up to the Latest Practicable Date, there has been no material adverse change in the financial position or prospects since 30 September 2009 which would materially affect the information shown in this circular, including in particular the financial information presented on the Coke Processing Assets.

SGM

A notice convening the SGM is set out on pages SGM-1 to SGM-3 of this circular. The SGM will be convened and held at Vinson Room, Pacific Place Conference Centre, 5/F, One Pacific Place, 88 Queensway, Hong Kong at 10:30 a.m. on Monday, 22 February 2010 at which resolutions will be proposed to Shareholders to consider, if thought fit, to approve the Sale and Purchase Agreement and the transactions contemplated thereunder.

Form of proxy for use in the SGM is enclosed. Whether or not you propose to attend the meeting, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon as soon as possible and in any event not less than 48 hours before the time appointed for holding of the SGM or any adjourned meeting thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the meeting or any adjourned meeting thereof, should you so desire.

RECOMMENDATION

The Directors consider that the terms of the Sale and Purchase Agreement is on normal commercial terms that are fair and reasonable so far as the Shareholders are concerned, and the Acquisition is in the interests of the Company and its Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of the relevant ordinary resolutions to be proposed at the SGM to approve the Acquisition and the transactions contemplated thereunder.

ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in the appendices to this circular.

Your faithfully,
By Order of the Board
Huscoke Resources Holdings Limited
Li Baoqi
Acting Chairman

1. SUMMARY OF FINANCIAL INFORMATION OF THE GROUP FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2009 AS EXTRACTED FROM INTERIM REPORTS OF THE COMPANY AND EACH OF THE THREE YEARS ENDED 31 DECEMBER 2006, 2007 AND 2008

The following is a summary of the financial information of the Group for the six months period ended 30 June 2009 as extracted from interim reports of the company and each of the three years ended 31 December 2006, 2007 and 2008 as extracted from the annual reports of the Company:

Results

	For the six months ended 30 June		Year ended 31 December		
	2009	**2008**	**2008**	**2007**	**2006**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Revenue	658,380	448,770	1,371,078	640,635	714,731
(Loss)/Profit before tax	32,097	(13,897)	(1,837,800)	(42,487)	16,059
Taxation (charge) credit	(7,755)	(2,310)	(14,988)	317	914
(Loss)/Profit for the year	24,342	(16,207)	(1,852,788)	(42,170)	16,973
Attributable to:					
Equity holders of the Company	20,216	(16,207)	(1,858,198)	(42,170)	18,912
Minority Interests	4,126	—	5,410	—	(1,939)
	24,342	(16,207)	(1,852,788)	(42,170)	16,973
Dividends	—	—	—	—	—

Assets, liabilities and minority interests

	As at 30 June		Year ended 31 December		
	2009	**2008**	**2008**	**2007**	**2006**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
	(Unaudited)	(Unaudited)			
Non-current assets					
Property, plant and equipment	510,112	65,728	532,618	64,968	114,945
Prepaid lease payments	67,773	58,555	80,115	7,919	22,019
Investment properties	26,658	67,300	26,658	—	—
Goodwill	399,262	1,099,777	399,262	—	—
Other intangible asset	821,242	—	842,998	—	—
Available-for-sale investments	3,448	3,357	3,448	880	880
Retirement benefit scheme's assets	3,825	4,077	3,825	4,077	—
Interests in associates	—	—	—	—	315
	1,832,320	1,298,794	1,888,924	77,844	138,159
Current assets					
Inventories	37,305	30,978	68,867	44,482	67,563
Debtors, bills receivable and prepayments	574,238	424,659	565,921	70,449	92,810
Amount due from a minority shareholder of a subsidiary	275,774	—	186,887	—	—
Prepaid lease payments	730	528	730	222	627
Investments held for trading	3,285	2,185	3,243	—	8,630
Short term bank deposits	—	—	13,569	63,688	39,505
Short term pledged bank deposit	—	2,954	936	2,910	2,840
Bank balances and cash	85,858	22,343	54,451	21,402	41,919
Tax recoverable	—	—	—	—	1,949
	977,190	483,647	894,604	203,153	255,843
Total assets	2,809,510	1,782,441	2,783,528	280,997	394,002

	As at 30 June		Year ended 31 December		
	2009	**2008**	**2008**	**2007**	**2006**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
	(Unaudited)	(Unaudited)			
Non-current liabilities					
Deferred taxation	137,889	7,042	143,887	2,302	4,686
Bank borrowings	46,284	52,788	49,518	—	—
Convertible bonds	—	773,357	—	—	—
	184,173	833,187	193,405	2,302	4,686
Current liabilites					
Creditors, bills payable and accrued charges	304,682	121,930	248,770	65,493	96,751
Amount due to a minotiry shareholder of a subsidiary	—	—	18,955	—	—
Amount due to a director	39,585	—	12,000	—	—
Promissory notes	98,412	60,000	96,032	—	—
Tax payable	38,972	8,107	56,663	118	—
Bank borrowings — due within one year	359,101	267,138	397,460	36,322	70,029
Amount due to an associate	—	—	—	—	294
	840,752	457,175	829,880	101,933	167,074
Total libilities	1,024,925	1,290,362	1,023,285	104,235	171,760
Minority interests	63,004	—	58,878	—	—

None of the audited financial statements of the Group for the three years ended 31 December 2008 was qualified by the auditors.

2. AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR EACH OF THE TWO YEARS ENDED 31 DECEMBER 2007 AND 2008

The following is extracted the text of the audited financial statements of the Group together with the accompanying notes contained on pages 28 to 105 of the annual report of the Company for the year ended 31 December 2008.

Consolidated Income Statement

For The Year Ended 31st December, 2008

	NOTES	2008 HK$'000	2007 HK$'000
Continuing operations			
Revenue	8	1,235,088	262,387
Cost of sales			
— Others		(1,074,887)	(231,107)
— Amortisation of other intangible asset		(27,194)	—
		(1,102,081)	(231,107)
Gross profit		133,007	31,280
Other income	9	7,153	22,741
Selling and distribution costs		(7,503)	(7,828)
Administrative expenses		(56,587)	(35,408)
Gain on fair value change of investments held for trading		396	2,454
Loss on disposal/liquidation of subsidiaries	39(ii)	—	(3,573)
Loss on fair value change of investment properties	19	(13,575)	—
Finance costs	10	(13,278)	(2,561)
Profit before taxation and impairment loss on goodwill		49,613	7,105
Impairment loss on goodwill	20	(1,870,383)	—
(Loss) profit before taxation		(1,820,770)	7,105
Taxation	11	(16,139)	(1,585)

	NOTES	2008 HK$'000	2007 HK$'000
(Loss) profit for the year from continuing operations		(1,836,909)	5,520
Discontinued operation			
Loss for the year from discontinued operation	12	(15,879)	(47,689)
Loss for the year	13	(1,852,788)	(42,169)
Attributable to:			
Equity holders of the Company		(1,858,198)	(42,169)
Minority interests		5,410	—
		(1,852,788)	(42,169)
Basic (loss) earnings per share	16		
From continuing and discontinued operations		(HK69.94 cents)	(HK8.82 cents)
From continuing operations		(HK69.34 cents)	HK1.15 cents

Consolidated Balance Sheet

At 31st December, 2008

	NOTES	2008 HK$'000	2007 HK$'000
Non-current assets			
Property, plant and equipment	17	532,618	64,968
Prepaid lease payments	18	80,115	7,919
Investment properties	19	26,658	—
Goodwill	20	399,262	—
Other intangible asset	21	842,998	—
Available-for-sale investments	23	3,448	880
Retirement benefit scheme's assets	24	3,825	4,077
		1,888,924	77,844
Current assets			
Inventories	25	68,867	44,482
Debtors, bills receivable and prepayments	26	565,921	70,449
Amount due from a minority shareholder of a subsidiary	27	186,887	—
Prepaid lease payments	18	730	222
Investments held for trading	28	3,243	—
Short term bank deposits	29	13,569	63,688
Short term pledged bank deposit	29	936	2,910
Bank balances and cash	29	54,451	21,402
		894,604	203,153
Current liabilities			
Creditors, bills payable and accrued charges	30	248,770	65,493
Amount due to a minority shareholder of a subsidiary	27	18,955	—
Amount due to a director	31	12,000	—
Promissory notes	32	96,032	—
Tax payable		56,663	118
Bank borrowings — due within one year	33	397,460	36,322
		829,880	101,933
Net current assets		64,724	101,220
Total assets less current liabilities		1,953,648	179,064

	NOTES	2008 HK$'000	2007 HK$'000
Capital and reserves			
Share capital	34	181,293	47,793
Reserves		1,520,072	128,969
Equity attributable to equity holders of the Company		1,701,365	176,762
Minority interests		58,878	—
Total equity		1,760,243	176,762
Non-current liabilities			
Deferred taxation	37	143,887	2,302
Bank borrowings	33	49,518	—
		193,405	2,302
		1,953,648	179,064

Consolidated Statement of Changes in Equity

For The Year Ended 31st December, 2008

	Attributable to equity holders of the Company										
	Share capital HK$'000	Share premium HK$'000	Contributed surplus HK$'000 (note i)	Special reserve HK$'000 (note ii)	Translation reserve HK$'000	Capital redemption reserve HK$'000	Convertible bonds reserve HK$'000	Retained profits (accumulated losses) HK$'000	Total HK$'000	Minority interests HK$'000	Total HK$'000
At 1st January, 2007	47,793	144,997	–	18,236	3,601	85	–	7,530	222,242	–	222,242
Exchange differences arising on translation of foreign operation and net income recognised directly in equity	–	–	–	–	1,796	–	–	–	1,796	–	1,796
Release of translation reserve upon disposal/liquidation of subsidiaries	–	–	–	–	(5,107)	–	–	–	(5,107)	–	(5,107)
Loss for the year	–	–	–	–	–	–	–	(42,169)	(42,169)	–	(42,169)
Total recognised expense for the year	–	–	–	–	(3,311)	–	–	(42,169)	(45,480)	–	(45,480)
At 31st December, 2007	47,793	144,997	–	18,236	290	85	–	(34,639)	176,762	–	176,762
Exchange differences arising on translation of foreign operations and net income recognised directly in equity	–	–	–	–	301	–	–	–	301	22	323
(Loss) profit for the year	–	–	–	–	–	–	–	(1,858,198)	(1,858,198)	5,410	(1,852,788)
Total recognised income and expense for the year	–	–	–	–	301	–	–	(1,858,198)	(1,857,897)	5,432	(1,852,465)
Recognition of equity component of convertible bonds	–	–	–	–	–	–	3,382,500	–	3,382,500	–	3,382,500
Conversion of convertible bonds	133,500	–	747,600	–	–	–	(881,100)	–	–	–	–
Acquisition of businesses	–	–	–	–	–	–	–	–	–	53,446	53,446
At 31st December, 2008	181,293	144,997	747,600	18,236	591	85	2,501,400	(1,892,837)	1,701,365	58,878	1,760,243

Notes:

(i) The contributed surplus represents the excess of fair value of convertible bonds issued as part of the consideration of acquisition of businesses over the nominal amount of the ordinary shares issued. Pursuant to section 40(1) of the Bermuda Companies Act, the excess of value of shares acquired over the nominal value of the shares being issued by the Company is credited to a contributed surplus account.

(ii) The special reserve represents the difference between the nominal value of the shares of the subsidiaries at the date when the shares were acquired by the Company and the nominal amount of the Company's shares issued for the acquisition.

Consolidated Cash Flow Statement

For The Year Ended 31st December, 2008

	NOTES	2008 HK$'000	2007 HK$'000
OPERATING ACTIVITIES			
Loss before taxation		(1,837,800)	(42,486)
Adjustments for:			
Impairment loss on goodwill		1,870,383	—
Allowances for bad and doubtful debts		2,600	—
Loss (gain) on fair value change of investments held for trading		396	(2,454)
Loss (gain) on fair value change of retirement benefit scheme's assets		252	(4,077)
Interest expense		10,501	4,369
Interest income		(2,257)	(3,598)
Depreciation of property, plant and equipment		17,576	15,813
Release of prepaid lease payments		542	222
Amortisation of other intangible asset		27,194	—
Loss (gain) on disposal of property, plant and equipment		247	(18,749)
Impairment loss on property, plant and equipment		—	22,000
Loss on fair value change of investment properties		13,575	—
Imputed interest expenses on promissory notes		2,843	—
Loss on early redemption of promissory notes		2,713	—
(Gain) loss on disposal of subsidiaries		(8,375)	3,573
Operating cash flows before movements in working capital		100,390	(25,387)
Decrease in inventories		33,400	22,664
(Increase) decrease in debtors, bills receivable and prepayments		(99,828)	20,618
Increase in amount due from a minority shareholder of a subsidiary		(151,340)	—
Increase (decrease) in creditors, bills payable and accrued charges		25,838	(28,568)
Increase in amount due to a minority shareholder of a subsidiary		18,955	—
(Increase) decrease in investments held for trading		(456)	11,880
Cash (used in) generated from operations		(73,041)	1,207
Hong Kong Profits Tax paid		(298)	—
NET CASH (USED IN) FROM OPERATING ACTIVITIES		(73,339)	1,207

	NOTES	2008 HK$'000	2007 HK$'000
INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(1,788)	(9,103)
Acquisition of businesses, net of cash and cash equivalent acquired	38	(1,406)	—
Decrease (increase) in pledged bank deposits		1,974	(70)
Distribution from an associate		—	20
Proceeds from disposal of property, plant and equipment		5,237	39,589
Disposal of subsidiaries	39	31,569	6,149
Interest received		2,257	3,598
NET CASH FROM INVESTING ACTIVITIES		37,843	40,183
FINANCING ACTIVITIES			
New bank borrowings raised		448,502	289,983
Repayment of bank borrowings		(331,685)	(323,690)
Repayment of promissory notes		(100,000)	—
Advance from a director		12,000	—
Interest paid		(10,501)	(4,369)
NET CASH FROM (USED IN) FINANCING ACTIVITIES		18,316	(38,076)
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS		(17,180)	3,314
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR		85,090	81,423
EFFECT OF FOREIGN CURRENCY RATE CHANGES		110	353
CASH AND CASH EQUIVALENTS AT END OF THE YEAR		68,020	85,090
ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS			
BEING:			
Short term bank deposits		13,569	63,688
Bank balances and cash		54,451	21,402
		68,020	85,090

Notes To The Consolidated Financial Statements

For The Year Ended 31st December, 2008

1. GENERAL

The Company was incorporated in Bermuda as an exempted company with limited liability and its shares are listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The address of the registered office and principal place of business is Room 4205, Far East Finance Centre, 16 Harcourt Road, Admiralty, Hong Kong.

The consolidated financial statements are presented in Hong Kong dollars, which is the same as the functional currency of the Company.

The Company is an investment holding company. Its subsidiaries are principally engaged in trading of coke, coal-related ancillary business and the design and sale of a diversified range of consumer home products.

2. CHANGE OF COMPANY'S NAME

Pursuant to a special resolution passed by the shareholders at a special general meeting of the Company held on 23rd July, 2008, the name of the Company was changed from Frankie Dominion International Limited to Huscoke Resources Holdings Limited, and 和嘉資源控股有限公司 has been adopted by the Company as its secondary name. The change of name took effect on 7th August, 2008.

3. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRS(s)")

In the current year, the Group has applied the following amendments and interpretations ("New HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), which are or have become effective.

HKAS 39 & HKFRS 7 (Amendments)	Reclassification of financial assets
HK(IFRIC)— INT 11	HKFRS 2: Group and treasury share transactions
HK(IFRIC)— INT 12	Service concession arrangements
HK(IFRIC)— INT 14	HKAS 19 — The limit on a defined benefit asset, minimum funding requirements and their interaction

The adoption of these New HKFRSs had no material effect on how the results and financial position of the Group for the current or prior accounting periods have been prepared and presented. Accordingly, no prior period adjustment has been required.

The Group has not early applied the following new and revised standards, amendments or interpretations that have been issued but are not yet effective.

HKFRSs (Amendments)	Improvements to HKFRSs[1]
HKAS 1 (Revised)	Presentation of financial statements[2]
HKAS 23 (Revised)	Borrowing costs[2]
HKAS 27 (Revised)	Consolidated and separate financial statements[3]
HKAS 32 & HKAS 1 (Amendments)	Puttable financial instruments and obligations arising on liquidation[2]
HKAS 39 (Amendment)	Eligible hedged items[3]
HKFRS 1 & HKAS 27 (Amendments)	Cost of an investment in a subsidiary, jointly controlled entity or associate[2]
HKFRS 2 (Amendment)	Vesting conditions and cancellations[2]
HKFRS 3 (Revised)	Business combinations[3]
HKFRS 7 (Amendment)	Improving disclosures about financial instruments[2]
HKFRS 8	Operating segments[2]
HK(IFRIC)— INT 9 & HKAS 39 (Amendments)	Embedded derivatives[4]
HK(IFRIC)— INT 13	Customer loyalty programmes[5]
HK(IFRIC)— INT 15	Agreements for the construction of real estate[2]
HK(IFRIC)— INT 16	Hedges of a net investment in a foreign operation[6]
HK(IFRIC)— INT 17	Distributions of non-cash assets to owners[3]
HK(IFRIC)— INT 18	Transfers of assets from customers[7]

1 Effective for annual periods beginning on or after 1st January, 2009 except the amendments to HKFRS 5, effective for annual periods beginning on or after 1st July, 2009.

2 Effective for annual periods beginning on or after 1st January, 2009.

3 Effective for annual periods beginning on or after 1st July, 2009.

4 Effective for annual periods ending on or after 30th June, 2009.

5 Effective for annual periods beginning on or after 1st July, 2008.

6 Effective for annual periods beginning on or after 1st October, 2008.

7 Effective for transfers on or after 1st July, 2009.

The application of HKFRS 3 (Revised) may affect the Group's accounting for business combination for which the acquisition date is on or after 1st January, 2010. HKAS 27 (Revised) will affect the accounting treatment for changes in the Group's ownership interest in a subsidiary. HKAS 23 (Revised) will affect the accounting treatment for borrowing costs, which eliminates the option to expense borrowing costs in relation to acquisition of qualifying assets when incurred. The Group has commenced considering the potential impact of HKAS 23 (Revised) but is not yet in a position to determine whether HKAS 23 (Revised) would have a significant impact on how its results of operations and financial positions are prepared and presented. The directors of the Company anticipate that the application of the other new and revised standards, amendments or interpretations will have no material impact on the results and the financial position of the Group.

4. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements have been prepared on the historical cost basis except for investment properties and certain financial instruments, which are measured at fair values, as explained in the accounting policies set out below.

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards issued by the HKICPA. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") and by the Hong Kong Companies Ordinance.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries). Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the Group.

All intra-group transactions, balances, income and expenses are eliminated on consolidation.

Minority interests in the net assets of subsidiaries are presented separately from the Group's equity therein. Minority interests in the net assets consist of the amount of those interests at the date of the original business combination and the minority's share of changes in equity since the date of the combination. Losses applicable to the minority in excess of the minority's interest in the subsidiary's equity are allocated against the interests of the Group except to the extent that the minority has a binding obligation and is able to make an additional investment to cover the losses.

Business combinations

The acquisition of business is accounted for using the purchase method. The cost of the acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree, plus any costs directly attributable to the business combination. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under HKFRS 3 Business Combinations are recognised at their fair values at the acquisition date.

Goodwill arising on acquisition is recognised as an asset and initially measured at cost, being the excess of the cost of the business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised. If, after reassessment, the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities exceeds the cost of the business combination, the excess is recognised immediately in profit or loss.

The interest of minority shareholders in the acquiree is initially measured at the minority's proportion of the net fair value of the assets, liabilities and contingent liabilities recognised.

Goodwill

Goodwill arising on an acquisition of a business represents the excess of the cost of acquisition over the Group's interest in the fair value of the identifiable assets, liabilities and contingent liabilities of the relevant business at the date of acquisition. Such goodwill is carried at cost less any accumulated impairment losses.

Capitalised goodwill arising on an acquisition of a business is presented separately in the consolidated balance sheet.

For the purposes of impairment testing, goodwill arising from an acquisition is allocated to each of the relevant cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the acquisition. A cash-generating unit to which goodwill has been allocated is tested for impairment annually, and whenever there is an indication that the unit may be impaired. For goodwill arising on an acquisition in a financial year, the cash-generating unit to which goodwill has been allocated is tested for impairment before the end of that financial year. When the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated to reduce the carrying amount of any goodwill allocated to the unit first, and then to the other assets of the unit pro rata on the basis of the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in the consolidated income statement. An impairment loss for goodwill is not reversed in subsequent periods.

On subsequent disposal of the relevant cash-generating unit, the attributable amount of goodwill capitalised is included in the determination of the amount of profit or loss on disposal.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods sold and services provided in the normal course of business, net of discounts.

Sales of goods are recognised when goods are delivered and title has passed.

Revenue from sales of electricity and heat are recognised when electricity and heat are consumed by the customers.

Service income are recognised when services are provided.

Interest income from a financial asset is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

Property, plant and equipment

Property, plant and equipment including land and buildings held for use on the production or supply of goods and services, or for administrative purposes are stated at cost less subsequent accumulated depreciation and accumulated impairment losses.

Depreciation is provided to write off the cost of items of property, plant and equipment other than construction in progress over their estimated useful lives and after taking into account of their estimated residual value.

The costs of buildings of the Group are depreciated over the term of the lease using straight-line method. Other items of property, plant and equipment were depreciated by using the reducing balance method at 20% per annum. On 31st October, 2008, the Group completed the acquisition of Joy Wisdom International Limited and its subsidiaries ("Joy Wisdom Group") and the directors of the Company reassessed the depreciation method of the items of property, plant and equipment and determined that the application of straight-line method would better reflect the pattern in which the future economic benefits of the property, plant and equipment are expected to be consumed by the Group. As a result, with effect from 1st November, 2008, the Group changed the depreciation method in respect of the other items of property, plant and equipment from reducing balance method to straight-line method. In view of the carrying amount of these assets, the directors of the Company considered the effect of the change in depreciation method on depreciation charge for the year and future periods are insignificant.

Construction in progress includes property, plant and equipment in the course of construction for production or for its own use purposes. Construction in progress is carried at cost less any recognised impairment loss. Construction in progress is classified to the appropriate category of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the consolidated income statement in the year in which the item is derecognised.

Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation.

On initial recognition, investment properties are measured at cost, including any directly attributable expenditure. Subsequent to initial recognition, investment properties are measured at fair value using the fair value model. Gains or losses arising from changes in the fair value of investment properties are included in profit or loss for the period in which they arise.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposals. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the consolidated income statement in the year in which the item is derecognised.

If an investment property becomes an item of property, plant and equipment because its use has changed as evidenced by commencement of owner-occupation, any difference in fair value change of that investment property at the date of transfer is recognised in the consolidated income statement.

Intangible assets acquired in a business combination

Intangible assets acquired in a business combination are identified and recognised separately from goodwill where they satisfy the definition of an intangible asset and their fair values can be measured reliably. The costs of such intangible assets are their fair value at the acquisition date.

Subsequent to initial recognition, intangible assets with finite useful lives are carried at costs less accumulated amortisation and any accumulated impairment losses. Amortisation for intangible assets with finite useful lives is provided on a straight-line basis over their estimated useful lives (see the accounting policy in respect of impairment losses on tangible and intangible assets below).

Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Group as lessor

Rental income from operating leases is recognised in the consolidated income statement on a straight-line basis over the term of the relevant lease.

The Group as lessee

Rentals payable under operating leases are charged to profit or loss on a straight-line basis over the term of the relevant lease. Benefits received and receivable as an incentive to enter into an operating lease are recognised as a reduction of rental expense over the lease term on a straight-line basis.

Leasehold land and building

The land and building elements of a lease of land and building are considered separately for the purpose of lease classification, unless the lease payments cannot be allocated reliably between the land and building elements, in which case, the entire lease is generally treated as a finance lease and accounted for as property, plant and equipment. To the extent the allocation of the lease payments can be made reliably, leasehold interests in land are accounted for as operating leases except for those that are classified and accounted for as investment properties under the fair value model.

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recorded in the respective functional currency (i.e. the currency of the primary economic environment in which the entity operates) at the rates of exchanges prevailing on the dates of the transactions. At each balance sheet date, monetary items denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing on the date when fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognised in profit or loss in the year in which they arise. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in equity, in which cases, the exchange differences are also recognised directly in equity.

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into the presentation currency of the Group (i.e. Hong Kong dollars) at the rate of exchange prevailing at the balance sheet date, and their income and expenses are translated at the average exchange rates for the year, unless exchange rates fluctuate significantly during the year, in which case, the exchange rates prevailing at the dates of transactions are used. Exchange differences arising, if any, are recognised as a separate component of equity (the translation reserve). Such exchange differences are recognised in profit or loss in the year in which the foreign operation is disposed of.

Retirement benefit costs

Payments to defined contribution retirement benefit plans, the Mandatory Provident Fund Scheme and the state-managed retirement benefit schemes, are charged as an expense when employees have rendered service entitling them to the contributions.

For defined benefit retirement benefit plan, the cost of providing benefits is determined using the projected unit credit method.

The amount recognised in the consolidated balance sheet represents the fair value of plan assets, reduced by the present value of the defined benefit obligation. Any asset resulting from this calculation is limited to the present value of available refunds.

Borrowing costs

All borrowing costs are recognised as and included in finance costs in the consolidated income statement in the period in which they are incurred.

Government grants

Government grants are recognised as income over the periods necessary to match them with the related costs. Grants related to expense items are recognised in the same period as those expenses are charged in the consolidated income statement and are reported separately as "other income".

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the consolidated income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax base used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the year when the liability is settled or the asset is realised. Deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is calculated using the weighted average method.

Financial instruments

Financial assets and financial liabilities are recognised on the consolidated balance sheet when a group entity becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

The Group's financial assets are classified into one of the three categories, including investments held for trading, loans and receivables and available-for-sale financial assets. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset, or, where appropriate, a shorter period.

Income is recognised on an effective interest basis for debt instruments.

Investments held for trading

A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling in the near future; or
- it is a part of an identified portfolio of financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

At each balance sheet date subsequent to initial recognition, investments held for trading are measured at fair value, with changes in fair value recognised directly in profit or loss in the year in which they arise. The net gain or loss recognised in profit or loss excludes any dividend or interest earned on the financial assets.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. At each balance sheet date subsequent to initial recognition, loans and receivables (including debtors, bills receivable, amount due from a minority shareholder of a subsidiary, bank balances, cash and bank deposits) are carried at amortised cost using the effective interest method, less any identified impairment losses (see accounting policy on impairment loss on financial assets below).

Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated or not classified as financial assets at fair value through profit or loss, loans and receivables or held-to-maturity investments. At each balance sheet date subsequent to initial recognition, available-for-sale financial assets are measured at fair value. Changes in fair value are recognised in equity, until the financial asset is disposed of or is determined to be impaired, at which time, the cumulative gain or loss previously recognised in equity is removed from equity and recognised in profit or loss (see accounting policy on impairment loss on financial assets below).

Impairment of financial assets

Financial assets, other than investments held for trading, are assessed for indicators of impairment at each balance sheet date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the financial assets have been impacted.

For all loans and receivables and available-for-sale debt investment, objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation.

For certain categories of financial asset, such as debtors, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the credit period of 90 days, observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, an impairment loss is recognised in profit or loss when there is objective evidence that the asset is impaired, and is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of debtors, where the carrying amount is reduced through the use of an allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss. When a debtor is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited to profit or loss.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment loss was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

For available-for-sale debt investments, impairment losses are subsequently reversed if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss.

Financial liabilities and equity

Financial liabilities and equity instruments issued by a group entity are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. The accounting policies adopted in respect of financial liabilities and equity instruments are set out below.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

Interest expense is recognised on an effective interest basis.

Other financial liabilities

Other financial liabilities including creditors, bills payable, amounts due to a minority shareholder of a subsidiary and a director, promissory notes and bank borrowings are subsequently measured at amortised cost, using the effective interest method.

Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Derecognition

Financial assets are derecognised when the rights to receive cash flows from the assets expire or, the financial assets are transferred and the Group has transferred substantially all the risks and rewards of ownership of the financial assets. On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised directly in equity is recognised in profit or loss. If the Group retains substantially all the risks and rewards of ownership of a transferred asset, the Group continues to recognise the financial assets and recognise a collateralised borrowing for proceeds received.

Financial liabilities are derecognised when the obligation specified in the relevant contract is discharged, cancelled or expires. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Impairment losses on tangible and intangible assets other than goodwill (see the accounting policy in respect of goodwill above)

At each balance sheet date, the Group reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income immediately.

5. KEY SOURCES OF ESTIMATION UNCERTAINTY

The key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet dates, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Other intangible asset

The estimated useful life of other intangible asset, being export agency, acquired on acquisition of business as set out in note 38 is based on the management's best estimate of the expected life of the agency agreement, according to their understanding of trading of coke business. In addition, the actual amount of export sales by the sole supplier to the Group is subject to actual amount of export quota obtained by the sole supplier and the amount of export quota granted by the Ministry of Commerce of China to the sole supplier semi-annually. If the actual amount of export sales by the sole supplier to the Group is different from estimated, indication of impairment of other intangible asset may arise.

Estimated impairment of goodwill and other intangible asset

Determining whether goodwill and other intangible asset are impaired requires an estimation of the value in use of the cash-generating unit ("CGU") to which goodwill and other intangible asset have been allocated. The value in use calculation requires the Group to estimate the future cash flows expected to arise from the CGU and a suitable discount rate in order to calculate the present value. Cash flow projection, based on expected future cash flows of the CGU, has been performed and management is confident that the carrying amounts of the assets after impairment will be recovered in full. This situation will be closely monitored by the management. Any change in the business environment may lead to the change of expected future cash flows. If the future recoverable amounts fall below the carrying amounts of the CGUs, recognition of impairment is required. As at 31st December, 2008, the carrying amounts of goodwill and other intangible asset were approximately HK$399,262,000 and HK$842,998,000 (2007: nil and nil) respectively. During the year, an impairment loss of goodwill amounting to HK$1,870,383,000 was recognised in the consolidated income statements. Details of the recoverable amount calculation are disclosed in note 22.

Depreciation and amortisation

The Group depreciates its property, plant and equipment and amortises other intangible asset over the estimated useful life, commencing from the date the property, plant and equipment and other intangible asset are ready for their intended use. The estimated useful life reflects the directors' estimate of the periods that the Group intends to derive future economic benefits from the use of the Group's property, plant and equipment and other intangible asset. The depreciation and amortisation will be changed when the useful life is expected to be different from estimated.

6. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the equity balance. The Group's overall strategy remains unchanged from prior year.

The capital structure of the Group consists of net debt, which includes the advance from a director disclosed in note 31 and borrowings disclosed in note 33, net of cash and cash equivalents and equity attributable to equity holders of the Company, comprising issued share capital and reserves. The directors of the Company review the capital structure on a continuous basis. As part of this review, the directors consider the cost of capital and the risks associated with capital. Based on recommendations of the directors, the Group will balance its overall capital structure through the payment of dividends and issuance of new shares as well as raising new borrowings and repaying existing borrowings.

7. FINANCIAL INSTRUMENTS

Categories of financial instruments

	2008	2007
	HK$'000	*HK$'000*
Financial assets		
Investments held for trading	3,243	—
Loans and receivables (including cash and cash equivalents)	331,723	157,015
Available-for-sale financial assets	3,448	880
	338,414	157,895
Financial liabilities		
Amortised cost	707,227	88,161

Financial risk management objectives and policies

The Group's major financial instruments include debtors, bills receivable, amount due from a minority shareholder of a subsidiary, bank balances, deposits and cash, creditors, bills payable, amounts due to a minority shareholder of a subsidiary and a director, promissory notes and bank borrowings. Details of these financial instruments are disclosed in respective notes. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

There has been no significant change to the Group's exposure to financial risks or the manner in which it manages and measures the risk.

Currency risk

The Group has foreign currency sales and purchases, denominated in currencies other than the functional currency of the respective group entities which exposed the Group to foreign currency risk. Approximately 79%, 77% and 36% (2007: 84%, 91% and 20%) of the Group's sales, purchases and other cost of sales, respectively, are denominated in currencies other than the functional currency of the respective group entities. In addition, certain debtors, bills receivable, bank deposits, bank balances, creditors, bills payable, amount due to a minority shareholder of a subsidiary and bank borrowings are denominated in currencies other than the functional currency of the respective group entities. The Group currently does not have a foreign currency hedging policy. However, the management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the reporting date are as follows:

	Assets		Liabilities	
	2008	**2007**	**2008**	**2007**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
United States dollars ("US$")	82,548	26,489	421,440	42,216
Australian dollars ("AUD")	—	25,615	—	—
New Zealand dollars ("NZD")	—	14,074	—	—
Renminbi ("RMB")	2,197	4,293	4,580	2,159
	84,745	70,471	426,020	44,375

Sensitivity analysis

The Group is mainly exposed to US$, AUD, NZD and RMB against Hong Kong dollars.

The following table details the Group's sensitivity to a rate increase or decrease in Hong Kong dollars against foreign currency. A sensitivity of 0.5% would be used for analysis against US$, whereas 5% would be used against foreign currencies other than US$ (the "Sensitivity Rates"). The Sensitivity Rates used represent management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the year end for a rate change in foreign currency rates. A negative number below indicates an increase in post-tax loss for the year where Hong Kong dollars weaken by the Sensitivity Rates against the relevant currencies. There would be an equal and opposite impact on the loss for the year where Hong Kong dollars strengthen by the Sensitivity Rates against the relevant currencies.

	2008	**2007**
	HK$'000	*HK$'000*
(Increase) decrease in loss for the year		
US$ impact	(1,695)	(79)
AUD impact	—	1,281
NZD impact	—	704
RMB impact	(119)	107

Interest rate risk

The Group's fair value interest rate risk relates primarily to short term pledged bank deposit. The Group is also exposed to cash flow interest rate risk through the impact of rate changes on deposits with banks and bank borrowings. It is the Group's policy to keep its borrowings at floating rate of interests so as to minimise the fair value interest rate risk. The management monitors interest rate exposure and will consider hedging significant interest rate exposure should the need arise.

The Group's concentration of cash flow interest rate risk is mainly on bank borrowings in relation to movements in the London InterBank Offered Rates and Hong Kong InterBank Offered Rates.

Sensitivity analysis

The sensitivity analyses below were determined based on the exposure to interest rates for the non-derivative instruments at the balance sheet date. For variable-rate bank borrowings, the analysis is prepared assuming the amount of liability outstanding at the balance sheet date was outstanding for the whole year. A 200 basis point increase or decrease represent management's assessments of the reasonably possible changes in interest rates of variable rate bank borrowings respectively.

For variable rate bank borrowings, if interest rates had been 200 basis points higher/lower and all other variables were held constant, the Group's loss for the year would increase/decrease by HK$8,940,000 (2007: HK$1,816,000).

Other price risk

The Company's directors considered the Group's exposure to other price risk is limited because the carrying amounts of investments held for trading and available-for-sale investments as at 31st December, 2008 are insignificant.

Credit risk

The Group's maximum exposure to credit risk which will cause a financial loss to the Group due to the counterparties failure to perform their obligations as at 31st December, 2008 and 2007 in relation to each class of recognised financial assets is the carrying amount of those assets as stated in the respective consolidated balance sheet. In order to minimise the credit risk, the management of the Group has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. The management closely monitors the subsequent settlement of the debts and does not grant long credit period to customers. In addition, the Group reviews the recoverable amount of each amount due from individual debtors and minority shareholder of a subsidiary at each balance sheet date to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

Other than the concentration of credit risk on advance payments to a minority shareholder of a subsidiary and amount due from a minority shareholder of a subsidiary, the Group has no significant concentration of credit risk on other trade debtors, with exposure spread over a number of counterparties and customers.

The Group has concentration of credit risk on liquid funds deposited with a few major banks. However, the credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

Liquidity risk

In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows. The management monitors the utilisation of bank borrowings and ensures compliance with loan covenants.

The Group relies on bank borrowings as a significant source of liquidity. As at 31st December, 2008, the Group had available unutilised short-term bank loan facilities of approximately HK$204,750,000 (2007: HK$203,000,000). Details of the Group's borrowings at 31st December, 2008 are set out in note 33.

The following table details the Group's remaining contractual maturity for its financial liabilities. For non-derivative financial liabilities, the table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows.

Liquidity tables

	Weighted average interest rate	Less than 1 month	1-3 months	3-6 months	6 months to 1 year	1-5 years	Over 5 years	Total undiscounted cash flows	Total carrying amounts at 31.12.2008
	% per annum	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
2008									
Non-derivative financial liabilities									
Trade and other creditors	—	51,277	24,842	56,002	—	—	—	132,121	132,121
Bills payable	—	1,141	—	—	—	—	—	1,141	1,141
Amount due to a minority shareholder of a subsidiary	—	18,955	—	—	—	—	—	18,955	18,955
Amount due to a director	—	12,000	—	—	—	—	—	12,000	12,000
Promissory notes	5.00%	—	—	—	100,000	—	—	100,000	96,032
Bank borrowings	2.64%	1,849	7,222	79,970	317,121	32,194	25,951	464,307	446,978
		85,222	32,064	135,972	417,121	32,194	25,951	728,524	707,227

	Weighted average interest rate	Less than 1 month	1-3 months	3-6 months	6 months to 1 year	1-5 years	Over 5 years	Total undiscounted cash flows	Total carrying amounts at 31.12.2007
	% per annum	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
2007									
Non-derivative financial liabilities									
Trade and other creditors	—	28,920	19,293	534	—	—	—	48,747	48,747
Bills payable	—	1,374	1,718	—	—	—	—	3,092	3,092
Bank borrowings	7.38%	18,623	21,002	128	—	—	—	39,753	36,322
		48,917	42,013	662	—	—	—	91,592	88,161

Fair value

The fair value of financial assets and financial liabilities are determined as follows:

- the fair value of available-for-sale investments is determined by reference to the price quoted in an open market. The fair value of investments held for trading is determined with reference to market prices of listed equity securities in the portfolio underlying the mutual funds ; and

- the fair value of other financial assets and financial liabilities are determined by using generally accepted pricing models based on discounted cash flow analysis using prices or rates from observable current market transactions as input.

The directors consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the consolidated financial statements approximate their fair values.

8. REVENUE, BUSINESS AND GEOGRAPHICAL SEGMENTS

Revenue

	2008	**2007**
	HK$'000	*HK$'000*
Continuing operations		
Sale of goods		
— coke	676,286	—
— coal	207,432	—
— household products	340,587	262,387
Revenue from sales of electricity and heat	9,992	—
Rental income from investment properties	791	—
	1,235,088	262,387
Discontinued operation		
Sale of goods — other consumer products	135,990	378,248
	1,371,078	640,635

Business segments

For management purposes, the Group is currently organised into five operating divisions – (i) trading – coke; (ii) coal-related ancillary business; (iii) trading – others; (iv) manufacturing – household products; and (v) property investment. These divisions are the basis on which the Group reports its primary segment information. On 16th May, 2008 and 31st October, 2008, three new operating divisions, trading – coke, coal-related ancillary business and property investment, were acquired respectively as set out in note 38. On 31st October, 2008, the Group completed the discontinuation of an operating division, manufacturing – others, which engaged in manufacturing and sale of other consumer products as set out in note 39.

Principal activities are as follows:

Trading – coke	—	purchases and sales of coke
Coal-related ancillary business	—	washing of raw coal into refined coal for sales and sales of electricity and heat (generated as the by-products after washing of raw coal)
Trading – others	—	resale of household products
Manufacturing – household products	—	manufacturing and sales of household products
Property investment	—	holding of investment properties

Inter-segment sales are charged at prices mutually agreed among the group entities.

Segment information about these businesses is presented below.

Income statement for the year ended 31st December, 2008

	Continuing operations						Discontinued operation		
	Trading – coke	Coal – related ancillary business	Trading – others	Manufacturing – household products	Property investment	Total	Manufacturing – others	Elimination	Consolidated
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
REVENUE									
External sales	676,286	217,424	298,428	42,159	791	1,235,088	135,990	–	1,371,078
Inter-segment	–	–	–	–	–	–	53,193	(53,193)	–
Total	676,286	217,424	298,428	42,159	791	1,235,088	189,183	(53,193)	1,371,078
RESULTS									
Segment results before amortisation of other intangible asset and impairment loss on goodwill	39,726	71,265	20,094	4,225	(13,042)	122,268	(25,350)		96,918
Amortisation of other intangible asset	(27,194)	–	–	–	–	(27,194)	–		(27,194)
Impairment loss on goodwill	(1,074,495)	(795,888)	–	–	–	(1,870,383)	–		(1,870,383)
Segment results	(1,061,963)	(724,623)	20,094	4,225	(13,042)	(1,775,309)	(25,350)		(1,800,659)
Unallocated income						4,051	11		4,062
Unallocated expenses						(36,630)	–		(36,630)
Gain on fair value change of investments held for trading						396	–		396
Gain on disposal of subsidiaries							8,375		8,375
Finance costs						(13,278)	(66)		(13,344)
Loss before taxation						(1,820,770)	(17,030)		(1,837,800)
Taxation						(16,139)	1,151		(14,988)
Loss for the year						(1,836,909)	(15,879)		(1,852,788)

Assets and liabilities as at 31st December, 2008

	Continuing operations					
	Trading – coke	Coal – related ancillary business	Trading – others	Manufacturing – household products	Property investment	Consolidated
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
ASSETS						
Segment assets	1,320,428	1,132,054	65,734	53,424	26,742	2,598,382
Unallocated corporate assets						185,146
Consolidated total assets						2,783,528
LIABILITIES						
Segment liabilities	98,119	126,210	28,169	10,844	314	263,656
Unallocated corporate liabilities						759,629
Consolidated total liabilities						1,023,285

Other information for the year ended 31st December, 2008

	Continuing operations							Discontinued operation	
	Trading – coke	Coal – related ancillary business	Trading – others	Manufacturing – household products	Property investment	Unallocated	Total	Manufacturing – others	Consolidated
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Capital additions	129	1,583	64	–	–	–	1,776	12	1,788
Amortisation of other intangible assets	27,194	–	–	–	–	–	27,194	–	27,194
Depreciation of property, plant and equipment	248	7,354	1,454	938	–	128	10,122	7,454	17,576
Release of prepaid lease payments	–	–	–	219	–	320	539	3	542
Loss on disposal of property, plant and equipment	–	–	55	–	–	–	55	192	247
Loss on fair value change of investment properties	–	–	–	–	13,575	–	13,575	–	13,575
Allowances for bad and doubtful debts	–	–	2,600	–	–	–	2,600	–	2,600

Income statement for the year ended 31st December, 2007

	Continuing operations			Discontinued operation		
	Trading – others	Manufacturing – household products	Total	Manufacturing – others	Elimination	Consolidated
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
REVENUE						
External sales	165,769	96,618	262,387	378,248	—	640,635
Inter-segment sales	—	—	—	103,007	(103,007)	—
Total	165,769	96,618	262,387	481,255	(103,007)	640,635
RESULTS						
Segment results	9,518	21,341	30,859	(48,209)		(17,350)
Unallocated income			11,747	426		12,173
Unallocated expenses			(31,821)			(31,821)
Gain on fair value change of investments held for trading			2,454			2,454
Loss on disposal/liquidation of subsidiaries			(3,573)			(3,573)
Finance costs			(2,561)	(1,808)		(4,369)
Profit (loss) before taxation			7,105	(49,591)		(42,486)
Taxation			(1,585)	1,902		317
Profit (loss) for the year			5,520	(47,689)		(42,169)

Assets and liabilities as at 31st December, 2007

	Continuing operations			Discontinued operation	
	Trading – others	Manufacturing – household products	Total	Manufacturing – others	Consolidated
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
ASSETS					
Segment assets	45,432	41,386	86,818	99,311	186,129
Unallocated corporate assets					94,868
Consolidated total assets					280,997
LIABILITIES					
Segment liabilities	9,638	9,183	18,821	42,349	61,170
Unallocated corporate liabilities					43,065
Consolidated total liabilities					104,235

Other information for the year ended 31st December, 2007

	Continuing operations				Discontinued operation	
	Trading – others	Manufacturing – household products	Unallocated	Total	Manufacturing – others	Consolidated
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Capital additions	1,373	112	—	1,485	7,618	9,103
Depreciation of property, plant and equipment	1,731	1,638	—	3,369	12,444	15,813
Release of prepaid lease payments	108	110	—	218	4	222
Gain (loss) on disposal of property, plant and equipment	—	10,994	(60)	10,934	7,815	18,749
Impairment loss on property, plant and equipment	—	—	—	—	22,000	22,000

Geographical segments

The following table provides an analysis of the Group's revenue by geographical market based on geographical location of customers, irrespective of the origin of the goods.

	Year ended 31.12.2008	Year ended 31.12.2007
	HK$'000	*HK$'000*
Geographical market		
North America	801,738	220,249
Holland	103,354	186,111
United Kingdom	89,876	93,506
Germany	35,421	43,402
Hong Kong	6,543	21,713
Belgium	68,158	1,421
Other European countries	12,329	33,675
Australia	9,721	17,220
France	2,296	5,026
PRC	222,270	10,355
Others	19,372	7,957
	1,371,078	640,635

The following is an analysis of the carrying amount of segment assets, and additions to property, plant and equipment, analysed by the geographical area in which the assets are located:

	Carrying amount of segment assets		**Additions to property, plant and equipment**	
	At 31.12.2008	**At 31.12.2007**	**Year ended 31.12.2008**	**Year ended 31.12.2007**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Hong Kong	1,436,267	140,350	193	1,573
PRC	1,162,115	45,779	1,595	7,530
	2,598,382	186,129	1,788	9,103

9. OTHER INCOME

	2008	**2007**
	HK$'000	*HK$'000*
Continuing operations		
Commission income	—	4,364
Interest income on bank deposits	1,196	2,276
Interest income on overdue trade debtors	1,050	896
Amount received from insurance claim on damaged inventories	587	—
Gain on disposal of property, plant and equipment	—	10,934
Excess of scheme assets over defined benefit scheme obligations	—	4,077
Subsidies from PRC government authorities *(note)*	2,841	—
Sundry income	1,479	194
	7,153	22,741
Discontinued operation		
Interest income on bank deposits	11	426
Gain on disposal of property, plant and equipment	—	7,815
Sundry income	128	38
	139	8,279

Note: During the year ended 31st December, 2008, GRG Huscoke (Shan Xi) Ltd ("GRG Huscoke") 山西金岩和嘉能源有限公司 ("金岩和嘉"), a subsidiary of the Company, received an one-off subsidy of approximately HK$6,818,000 (RMB6,000,000) from the government authority as a subsidy for the increase in cost of heat generation in respect of sales of heat for the period from November 2008 to March 2009. The subsidy is recognised in the consolidated financial statements on a straight line basis over the subsidy period.

10. FINANCE COSTS

	2008	2007
	HK$'000	*HK$'000*
Continuing operations		
Interest on bank borrowings		
— wholly repayable within five years	9,514	2,561
— not wholly repayable within five years	921	—
Imputed interest expenses on promissory notes	2,843	—
	13,278	2,561
Discontinued operation		
Interest on bank borrowings wholly repayable within five years	66	1,808

11. TAXATION

	2008	2007
	HK$'000	*HK$'000*
Continuing operations		
Current taxation		
Hong Kong Profits Tax	6,671	2,067
PRC Enterprise Income Tax	17,273	—
	23,944	2,067
Overprovision of Hong Kong Profits Tax in prior years	(819)	—
	23,125	2,067
Deferred taxation *(note 37)*		
Current year	(6,920)	(482)
Attributable to a change in tax rate	(66)	—
	(6,986)	(482)
	16,139	1,585
Discontinued operation		
Deferred taxation *(note 37)*		
Current year	(1,085)	(1,902)
Attributable to a change in tax rate	(66)	—
	(1,151)	(1,902)

On 26th June, 2008, the Hong Kong Legislative Council passed the Revenue Bill 2008 which reduced corporate profits tax rate from 17.5% to 16.5% effective from the year of assessment 2008/2009. Therefore, Hong Kong Profits Tax is calculated at 16.5% (2007: 17.5%) of the estimated assessable profit for the year. The deferred tax balance has been adjusted to reflect the tax rate that is expected to apply to the respective periods when the asset is realised or the liability is settled.

Taxation arising in other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

On 16th March, 2007, the PRC promulgated the Law of the PRC on Enterprise Income Tax (the "New Law") by Order No. 63 of the President of the PRC. On 6th December, 2007, the State Council of the PRC issued Implementation Regulation of the New Law. Under the New Law and Implementation Regulation, the Enterprise Income Tax rate of the Group's subsidiaries in the PRC was reduced from 33% to 25% from 1st January, 2008 onwards. Therefore, the PRC Enterprise Income Tax is calculated at a tax rate of 25% (2007: 33%), which is the prevailing tax rate in the PRC.

The taxation for the year can be reconciled to the (loss) profit before taxation per the consolidated income statement as follows:

	2008	**2007**
	HK$'000	*HK$'000*
(Loss) profit before taxation		
Continuing operations	(1,820,770)	7,105
Discontinued operation	(17,030)	(49,591)
	(1,837,800)	(42,486)
Taxation at the Hong Kong Profits Tax rate of 16.5% (2007: 17.5%)	(303,237)	(7,435)
Tax effect of expenses not deductible for tax purpose	310,721	6,296
Tax effect of income not taxable for tax purpose	(2,326)	(3,438)
Overprovision in prior years	(819)	—
Tax effect of utilisation of tax losses previously not recognised	—	(141)
Tax effect of tax losses not recognised	4,908	4,401
Decrease in opening deferred tax liabilities resulting from a decrease in applicable tax rate	(132)	—
Effect of different tax rates of subsidiaries operating in other jurisdictions	5,873	—
Taxation for the year	14,988	(317)

12. DISCONTINUED OPERATION

On 25th August, 2008, the Group entered into a sale agreement to dispose of a subsidiary, Big Field (B.V.I.) Limited and its subsidiary (collectively known as "Bigfield Group") which carried out all of the Group's operations related to manufacturing and sale of other consumer products. The disposal was effected in order to redeploy its resources in a more productive manner with the Group. The disposal resulted in a gain on disposal of HK$8,375,000 and was completed on 31st October, 2008, on which date control of Bigfield Group was passed to the acquirer.

The loss for the year from the discontinued operation is analysed as follows:

	2008	2007
	HK$'000	*HK$'000*
Loss of manufacturing and sale of other consumer products operation for the year	(24,254)	(47,689)
Gain on disposal of manufacturing and sale of other consumer products operation *(see note 39)*	8,375	—
	(15,879)	(47,689)

The results for the period from 1st January, 2008 to 31st October, 2008, which have been included in the consolidated income statement, were as follows:

	Ten months ended 31.10.2008	Year ended 31.12.2007
	HK$'000	*HK$'000*
Revenue	135,990	378,248
Cost of sales	(154,850)	(384,802)
Other income	139	8,279
Selling and distribution costs	—	(10,441)
Administrative expenses	(6,618)	(17,067)
Impairment loss on property, plant and equipment	—	(22,000)
Finance costs	(66)	(1,808)
Loss before taxation	(25,405)	(49,591)
Taxation credit *(note 11)*	1,151	1,902
Loss for the period/year	(24,254)	(47,689)

During the year, Bigfield Group used HK$33,681,000 in (2007: contributed HK$11,405,000 to) the Group's net operating cash flows, contributed HK$5,224,000 (2007: HK$13,708,000) in respect of investing activities and paid HK$4,438,000 (2007: HK$21,453,000) in respect of financing activities.

The carrying amounts of the assets and liabilities of Bigfield Group at the date of disposal are disclosed in note 39.

13. LOSS FOR THE YEAR

	Continuing operations		Discontinued operation		Consolidated	
	2008	2007	2008	2007	2008	2007
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Loss for the year has been arrived at after charging (crediting):						
Allowance for bad and doubtful debts	2,600	—	—	—	2,600	—
Auditor's remuneration	1,396	781	278	400	1,674	1,181
Cost of inventories recognised as an expense	1,074,887	231,107	154,850	384,802	1,229,737	615,909
Depreciation of property, plant and equipment	10,122	3,369	7,454	12,444	17,576	15,813
Release of prepaid lease payments	539	218	3	4	542	222
Loss (gain) on disposal of property, plant and equipment	55	(10,934)	192	(7,815)	247	(18,749)
Loss on early redemption of promissory notes	2,713	—	—	—	2,713	—
Gross rental income from investment properties	(791)	—	—	—	(791)	—
Less: direct operating expenses from investment properties that generated rental income during the year	258	—	—	—	258	—
Net foreign exchange loss (gain)	418	917	(89)	2,574	329	3,491
Operating lease payments in respect of rented properties	891	133	7,934	13,228	8,825	13,361
Staff costs:						
Directors' remuneration	9,435	6,149	—	1,010	9,435	7,159
Other staff salaries and allowances and benefits	18,064	18,748	36,980	81,498	55,044	100,246
Other staff retirement benefits scheme contributions	510	469	151	3,024	661	3,493
	28,009	25,366	37,131	85,532	65,140	110,898
Loss (gain) on fair value change of retirement benefit scheme's assets	252	(4,077)	—	—	252	(4,077)

14. DIRECTORS' EMOLUMENTS

For the year ended 31st December, 2008

	Directors' fees	Salaries and other benefits	Performance related incentive payment	Retirement benefit scheme contributions	Total 2008
	HK$'000	*HK$'000*	*HK$'000* *(note)*	*HK$'000*	*HK$'000*
Name of directors					
Li Baoqi (appointed on 1st June, 2008)	210	438	—	—	648
Wu Jixian (appointed on 1st June, 2008)	455	1,685	—	7	2,147
Chim Kim Lun, Ricky	—	—	—	—	—
Cheng Kwok Hing, Andy	180	—	—	—	180
Lam Po Kwai, Frankie (resigned on 12th January, 2009)	—	2,400	1,558	12	3,970
Wong Yau Ching, Maria (resigned on 6th June, 2008)	—	1,618	127	12	1,757
So Man Yee, Katherine (resigned on 6th June, 2008)	—	390	—	8	398
Lee Yuen Bing, Nina (resigned on 1st September, 2008)	80	—	—	—	80
Lam Hoy Lee, Laurie (appointed on 1st September, 2008)	—	—	—	—	—
Wan Hon Keung (appointed on 16th April, 2008)	—	—	—	—	—
Sun Tak Keung (appointed on 16th April, 2008)	—	—	—	—	—
Au Son Yiu (resigned on 16th April, 2008)	58	—	—	—	58
Tang Tin Sek (resigned on 16th April, 2008)	65	—	—	—	65
Johnson Lee (resigned on 1st September, 2008)	132	—	—	—	132
Total emoluments	1,180	6,531	1,685	39	9,435

For the year ended 31st December, 2007

	Directors' fees	Salaries and other benefits	Performance related incentive payment	Retirement benefit scheme contributions	Total 2007
	HK$'000	*HK$'000*	*HK$'000* (*note*)	*HK$'000*	*HK$'000*
Name of directors					
Lam Po Kwai, Frankie	—	2,400	—	48	2,448
Wong Yau Ching, Maria	—	2,000	656	48	2,704
So Man Yee, Katherine	—	764	164	25	953
Chim Kim Lun, Ricky	—	—	—	—	—
Cheng Kwok Hing, Andy	—	—	—	—	—
Lee Yuen Bing, Nina	30	387	—	19	436
Au Son Yiu	198	—	—	—	198
Tang Tin Sek	222	—	—	—	222
Johnson Lee	198	—	—	—	198
Total emoluments	648	5,551	820	140	7,159

Note: The performance related incentive payment is determined as a percentage of each profitable subsidiary of the Group for the respective year.

During both years, no emolument was paid by the Group to the directors as an inducement to join or upon joining the Group or as compensation for loss of office. None of the Directors has waived any remuneration during both years.

15. EMPLOYEES' EMOLUMENTS

Of the five highest paid individuals of the Group, four (2007: three) are directors including two directors appointed or resigned during the year, details of whose emoluments as directors are set out in note 14 above. The emoluments of the remaining one (2007: two) highest paid employee, other than directors of the Company, were as follows:

	2008	2007
	HK$'000	*HK$'000*
Salaries and other benefits	755	2,183
Retirement benefit scheme contributions	12	39
	767	2,222

Emoluments of this remaining one (2007: two) highest paid employee were within the following bands:

	Number of employees 2008	2007
Nil — HK$1,000,000	1	1
HK$1,000,001 — HK$1,500,000	—	1
	1	2

16. (LOSS) EARNINGS PER SHARE

For continuing and discontinued operations

The calculation of the basic loss per share from continuing and discontinued operations attributable to the ordinary equity holders of the Company is based on the following data:

	2008 *HK$'000*	2007 *HK$'000*
Loss for the purpose of basic loss per share	(1,858,198)	(42,169)

	Number of shares 2008 *'000*	2007 *'000*
Number of shares		
Weighted average number of shares for the purpose of basic loss per share	2,656,888	477,926

From continuing operations

The calculation of the basic (loss) earnings per share from continuing operations attributable to the ordinary equity holders of the Company is based on the following data:

	2008 *HK$'000*	2007 *HK$'000*
Loss for the year attributable to equity holders of the Company	(1,858,198)	(42,169)
Less: Loss for the year from discontinued operation	15,879	47,689
(Loss) profit for the purpose of basic earnings per share from continuing operations	(1,842,319)	5,520

The denominators used are the same as those detailed above for basic loss per share from continuing and discontinued operations.

From discontinued operation

The calculation of the basic loss per share from discontinued operation attributable to the ordinary equity holders of the Company is based on the following data:

	2008	**2007**
	HK$'000	*HK$'000*
Loss for the year from discontinued operation	(15,879)	(47,689)
Loss per share from discontinued operation attributable to equity holders of the Company	(HK0.60 cents)	(HK9.98 cents)

The denominators used are the same as those detailed above for basic loss per share from continuing and discontinued operations.

As disclosed in note 35, the convertible bonds shall be converted automatically into new share of the Company at date of maturity. Shares that are issuable solely after the passage of time are not contingently issuable shares and are included in the calculation of basic (loss) earnings per share.

Diluted (loss) earnings per share for both years are not shown as there are no potential ordinary shares subsist during both of the years presented.

17. PROPERTY, PLANT AND EQUIPMENT

	Buildings	Coal-related ancillary machinery	Plant and machinery	Computer equipment	Furniture and fixtures	Motor vehicles	Construction in progress	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
COST								
At 1st January, 2007	68,911	—	266,251	12,363	110,712	10,205	—	468,442
Exchange realignment	446	—	1,236	—	77	39	—	1,798
Additions	—	—	6,511	618	1,436	538	—	9,103
Disposals	(13,100)	—	(3,199)	(54)	(181)	(1,726)	—	(18,260)
Disposal upon disposal of subsidiaries	(8,920)	—	(24,130)	(76)	(3,396)	(1,269)	—	(37,791)
At 31st December, 2007	47,337	—	246,669	12,851	108,648	7,787	—	423,292
Exchange realignment	65	90	—	16	—	9	14	194
Transfers from investment properties	20,319	—	—	—	—	—	—	20,319
Additions	—	—	—	333	190	—	1,265	1,788
Acquired on acquisition of businesses	172,367	221,201	—	37,601	531	22,560	34,900	489,160
Disposals	—	—	(20,127)	—	(871)	(938)	—	(21,936)
Disposal upon disposal of subsidiaries	(6,572)	—	(193,151)	(9,056)	(79,819)	(1,995)	—	(290,593)
At 31st December, 2008	233,516	221,291	33,391	41,745	28,679	27,423	36,179	622,224
DEPRECIATION AND IMPAIRMENT								
At 1st January, 2007	22,696	—	224,915	9,725	90,520	5,642	—	353,498
Exchange realignment	156	—	970	—	62	22	—	1,210
Provided for the year	1,579	—	8,585	591	4,132	926	—	15,813
Impairment loss recognised in consolidated income statement	1,980	—	13,640	660	5,280	440	—	22,000
Eliminated on disposals	(4,565)	—	(2,210)	(16)	(128)	(1,539)	—	(8,458)
Eliminated on disposal of subsidiaries	(3,237)	—	(20,130)	(5)	(1,822)	(545)	—	(25,739)
At 31st December, 2007	18,609	—	225,770	10,955	98,044	4,946	—	358,324
Provided for the year	2,499	4,447	4,680	1,708	2,810	1,432	—	17,576
Eliminated on disposals	—	—	(15,005)	—	(651)	(796)	—	(16,452)
Eliminated on disposal of subsidiaries	(3,661)	—	(182,054)	(8,103)	(74,239)	(1,785)	—	(269,842)
At 31st December, 2008	17,447	4,447	33,391	4,560	25,964	3,797	—	89,606
CARRYING VALUES								
At 31st December, 2008	216,069	216,844	—	37,185	2,715	23,626	36,179	532,618
At 31st December, 2007	28,728	—	20,899	1,896	10,604	2,841	—	64,968

As set out in note 3, items of property, plant and equipment except buildings and coal-related ancillary machinery were depreciated at 20% per annum using reducing balance method before 31st October, 2008.

The items of property, plant and equipment are depreciated at the following rates per annum:

Up to 31st October 2008	
Buildings	Straight-line method over the term of the lease
Others	Reducing balance method at 20%
From 1st November, 2008 onwards	
Buildings	Straight-line method over the term of the lease
Coal-related ancillary machinery	Straight-line method at 12.5%
Others	Straight-line method at 20%

The carrying value of properties shown above comprises:

	2008	**2007**
	HK$'000	*HK$'000*
Properties situated on leasehold interest in land:		
— In Hong Kong under long lease	35,515	3,118
— Outside Hong Kong under medium-term lease	180,554	25,610
	216,069	28,728

At 31st December, 2007, due to the continuous losses incurred by a subsidiary, the directors conducted a review of the property, plant and equipment held by that subsidiary and recognised an impairment loss of HK$22,000,000 in the consolidated income statement. The recoverable amount of the relevant property, plant and equipment was determined on the basis of their value in use. The discount rate in measuring the amounts of value in use was 8%.

At 31st December, 2008, the Group pledged buildings having a carrying value of approximately HK$32,542,000 (2007: nil) to secure general banking facilities granted to the Group.

18. PREPAID LEASE PAYMENTS

	2008	**2007**
	HK$'000	*HK$'000*
The Group's prepaid lease payments comprise:		
Leasehold interest in land:		
In Hong Kong under long lease	74,404	1,516
Outside Hong Kong under medium-term lease	6,441	6,625
	80,845	8,141
Analysed for reporting purposes as:		
Current asset	730	222
Non-current asset	80,115	7,919
	80,845	8,141

At 31st December, 2008, the Group pledged prepaid lease payments having a carrying value of approximately HK$73,077,000 (2007: nil) to secure general banking facilities granted to the Group.

19. INVESTMENT PROPERTIES

	HK$'000
FAIR VALUE	
At 1st January, 2007 and 2008	—
Acquired on acquisition of businesses *(note 38)*	60,552
Transfer to property, plant and equipment on 1st October, 2008	(20,319)
Loss on fair value change recognised in the consolidated income statement	(13,575)
At 31st December, 2008	26,658

All investment properties are situated on land in Hong Kong under long lease.

The fair values of the investment properties at 1st October, 2008 and 31st December, 2008 have been arrived at on the basis of a valuation carried out on these dates by Norton Appraisals Limited, an independent qualified professional valuers not connected with the Group. Norton Appraisals Limited, is a member of the Institute of Valuers, and have appropriate qualifications and recent experiences in the valuation of similar properties in the relevant locations. The valuation was arrived at by reference to comparable market transactions for similar properties in the same locations and conditions.

All of the Group's property interests held under operating leases to earn rentals or for capital appreciation purposes are measured using the fair value model and are classified and accounted for as investment properties.

At 31st December, 2008, the Group's investment properties with a carrying value of HK$26,658,000 (2007: nil) were pledged to secure general banking facilities granted to the Group.

20. GOODWILL

	HK$'000
COST AND CARRYING AMOUNT	
At 1st January, 2007 and 2008	—
Acquisition of businesses *(note 38)*	2,269,645
Impairment loss recognised in the year	(1,870,383)
At 31st December, 2008	399,262

Particulars regarding impairment testing on goodwill are disclosed in note 22.

21. OTHER INTANGIBLE ASSET

	Export agency *HK$'000*
COST	
At 1st January, 2007 and 2008	—
Acquisition of businesses *(note 38)*	870,192
At 31st December, 2008	870,192
AMORTISATION	
At 1st January, 2007 and 2008	—
Charge for the year	27,194
At 31st December, 2008	27,194
CARRYING VALUE	
At 31st December, 2008	842,998
At 31st December, 2007	—

The export agency intangible asset relates to export agency agreement entered into between a PRC coke supplier and a subsidiary of the Company incorporated in Hong Kong, which entitled the Group to have an exclusive right to handle the export business of coke from the supplier. The agreement is effective for 3 years from the agreement date of 1st January, 2007, and will continue to be effective if there is no change related to the contractual parties. The directors of the Company are of the opinion that the sole supplier would obtain the export quota in coming 20 years and have the ability to do so, and that the subsidiary of the Company will continue to handle the export business of coke from the sole supplier for the whole 20-year duration. Taking into consideration of market and competitive information, the management of the Group believes that there exist adequate support that the intangible asset has the estimated useful life of 20 years over which the sole entitlement of export sales by the sole supplier to the Group is expected to generate net cash flows for the Group. The discounted cash flow method, with cash flows projections covering 20 years, being the estimated period of the export agency agreement with the sole supplier, and a discount rate of 13.4%, had been used to estimate the fair value of the intangible asset at date of acquisition. The export agency intangible asset is amortised on a straight-line method over the estimated useful life of 20 years.

Particulars regarding impairment testing on other intangible assets are disclosed in note 22.

22. IMPAIRMENT TESTING ON GOODWILL AND OTHER INTANGIBLE ASSET

For the purpose of impairment testing, goodwill and other intangible asset have been allocated to two individual CGUs, including one subsidiary in trading – coke segment and one subsidiary in coal-related ancillary business. The carrying amounts of goodwill and the export agency intangible asset as at 31st December, 2008 allocated to these units are as follows:

	Goodwill 2008 *HK$'000*	Export agency 2008 *HK$'000*
Huscoke International Group Limited		
(trading-coke segment)	10,718	842,998
GRG Huscoke 金岩和嘉		
(coal-related ancillary business segment)	388,544	—
	399,262	842,998

During the year ended 31st December, 2008, the Group recognised an impairment loss of approximately HK$1,074,495,000 and HK$795,888,000 in relation to goodwill allocated to Huscoke International Group Limited and GRG Huscoke 金岩和嘉 respectively.

This goodwill arising from the acquisition of Pride Eagle Group and Joy Wisdom Group amounted to HK$1,085,213,000 and HK$1,184,432,000 respectively, represented the excess of the cost of acquisition over the Group's interest in the fair value of the identifiable assets and liabilities of Pride Eagle Group and Joy Wisdom Group. As part of the consideration of the acquisitions, Tranche 1 Bonds and Tranche 2 Bonds (as defined in note 35) were issued. In accordance with HKFRS 3 "Business combinations" issued by HKICPA, the fair value of Tranche 1 Bonds and Tranche 2 Bonds were determined by reference to the market value of the ordinary shares of the Company at the date of completion of the acquisitions of Pride Eagle Group and Joy Wisdom Group. With the unexpected increase in the market value of the ordinary shares of the Company between the date of Agreement (as defined in note 32) and the date of completion of the acquisitions, the goodwill arising from the acquisitions was greater than was expected by the management of the Group when the Agreement was entered into. The Group therefore recognised the excess of the carrying amounts of the CGUs (including goodwill) over the recoverable amounts of the CGUs, which were arrived based on value in use calculations as detailed below, as impairment loss on goodwill.

Huscoke International Group Limited

The recoverable amount of this CGU, representing operating division of trading-coke, has been determined based on value in use calculations. The key assumptions for the value in use calculations are those regarding the discount rates, growth rates and expected changes to selling prices and direct costs during the period. Management estimates discount rate using pre-tax rate that reflect current market assessments of the time value of money and the risks specific to the CGU. The growth rates are based on industry growth forecasts estimated by the management.

The Group prepares cash flows forecasts derived from the most recent financial budgets approved by management for the next 5 years, which is the general development period for the related business and extrapolates cash flows beyond the 5 years based on zero growth rate. The financial budgets and growth rates are estimated according to the stage of operation with reference to the development curve of the industry. The rate used to discount the forecast cash flows for CGU is 14.65%.

GRG Huscoke 金岩和嘉

As explained in note 38 to the consolidated financial statements, the Group is in the process of identifying any intangible assets of Joy Wisdom Group at date of acquisition, thus, the determination of the goodwill disclosed in note 20 to the consolidated financial statements is pending the finalisation of the valuation exercise on the identifiable intangible assets of Joy Wisdom Group. Based on preliminary information available, goodwill of HK$1,184,432,000 is allocated to the CGU at date of acquisition. The recoverable amount of this unallocated goodwill has been determined on the basis of a value in use calculation of this CGU. The recoverable amount is based on certain key assumptions. The Group prepares cash flows forecasts derived from the most recent financial budgets approved by the management for the next 5 years which is the general development period for the related business and extrapolates cash flows beyond the 5 years based on the steady growth rate of 5%. The rate used to discount the forecast cash flows for CGU is 14.65%.

23. AVAILABLE-FOR-SALE INVESTMENTS

	2008	**2007**
	HK$'000	*HK$'000*
Club debentures, at fair value	3,448	880

24. RETIREMENT BENEFIT SCHEME

Defined contribution scheme

Since 1st December, 2000, the Group has operated pension scheme under the rules and regulations of the Mandatory Provident Fund Schemes Ordinance ("MPF Scheme") for all qualifying employees in Hong Kong. The assets of the MPF Scheme are held separately in an independently managed fund. The Group has followed the minimum statutory contribution requirements of 5% of eligible employees' relevant income. The contributions are charged to the consolidated income statement as incurred.

The relevant PRC subsidiaries are required to make contributions to the state retirement schemes in the PRC based on 3% to 4% of the monthly salaries of their current employees to fund the schemes. The employees are entitled to retirement benefits calculated with reference to their basic salaries on retirement and their length of service in accordance with the relevant government regulations. The PRC government is responsible for the retirement benefits to these retired staff. Therefore, the obligation of the Group is the contributions paid or payable to the state retirement schemes.

The total cost charged to the consolidated income statement of HK$700,000 (2007: HK$3,633,000) represents contributions paid and payable to the schemes by the Group at rates specified in the rules of the schemes.

Defined benefit scheme

A subsidiary of the Company operated a funded defined benefit pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the Group in funds under the control of the trustee. The scheme was frozen on 30th November, 2000 and all qualifying employees were transferred to the MPF Scheme. The defined benefit obligations of the scheme were fixed and the past service costs are fully vested. No further contribution was made by the Group since that date.

During the year ended 31st December, 2008, the remaining defined benefit obligations of the scheme with the equivalent value of the scheme's assets have been transferred to the MPF Scheme as agreed with the relevant qualifying employees.

At 31st December, 2008, the fair value of the scheme's assets is HK$3,825,000 (2007: HK$5,697,000) and the scheme's obligations is nil (2007: HK$1,620,000). During the year, the Company recognised the loss on fair value change of the excess of the scheme's assets over defined benefit scheme's obligations of HK$252,000 (2007: gain of HK$4,077,000) in the consolidated financial statements.

25. INVENTORIES

	2008	**2007**
	HK$'000	*HK$'000*
Raw materials	68,725	27,754
Work in progress	—	4,503
Finished goods	142	12,225
	68,867	44,482

26. DEBTORS, BILLS RECEIVABLE AND PREPAYMENTS

	2008	**2007**
	HK$'000	*HK$'000*
Trade debtors and bills receivable	76,015	66,499
Less: Allowances for bad and doubtful debts	(2,600)	—
	73,415	66,499
Other debtors and prepayments	3,108	3,950
Advance payments to a minority shareholder of a subsidiary for purchases	465,000	—
Advance payments to suppliers	24,377	—
Amounts due from related companies	21	—
	565,921	70,449

The following is an aged analysis of trade debtors and bills receivable net of allowance for doubtful debts at the reporting date:

	2008	**2007**
	HK$'000	*HK$'000*
0-60 days	51,740	51,635
61-90 days	4,857	7,099
> 90 days	16,818	7,765
	73,415	66,499

Trade debtors and bills receivable of approximately HK$27,575,000 (2007: HK$22,398,000) and HK$1,297,000 (2007: nil) were denominated in US$ and RMB respectively, the currencies other than the functional currency of the respective group entities.

During the year, the Group discounted bills receivable of HK$3,484,000 (2007: HK$9,441,000) to banks. As part of the transfer, the Group provided the transferees with a credit guarantee over the expected losses of those receivables. Accordingly, the Group continues to recognise the full carrying amount of the receivables and has recognised the cash received on the transfer as a secured other bank loans (see note 33).

The Group allows a credit period of 90 days to its customers. As at 31st December, 2008, trade debtors of approximately HK$16,818,000 (2007: HK$7,765,000), were past due but not provided for as there has not been a significant change in credit quality. The Group does not hold any collateral over the aforesaid trade debtors. The average age of these debtors is 154 (2007: 155) days.

In the opinion of the directors, the Group has maintained long term relationship with existing customers who have a strong financial position. Advance deposits are required from certain customers. The directors consider that such relationship and arrangement enable the Group to limit its credit risk exposure. Before accepting any new customers, the Group will assess the potential customers' credit quality by reference to the experience of the management and defines credit limit by customers. Such credit limit is reviewed by the management periodically.

Advance payments are requested by the minority shareholder of a subsidiary for purchases of coke for trading. The balances are unsecured, non-interest bearing and to be settled with future purchases.

Movement in the allowance for bad doubtful debts

	2008	**2007**
	HK$'000	*HK$'000*
Balance at beginning of the year	—	2,599
Allowance for bad and doubtful debts for trade debtors	2,600	—
Written off against trade debtors	—	(2,599)
Balance at end of the year	2,600	—

At 31st December, 2008, allowance for bad and doubtful debts are individually impaired trade debtors with an aggregate balance of HK$2,600,000 (2007: nil) which had been in severe financial difficulties. The Group does not hold any collateral over these balances.

The amounts due from related companies are unsecured, non-interest bearing and repayable on demand.

27. AMOUNTS DUE FROM AND TO A MINORITY SHAREHOLDER OF A SUBSIDIARY

The balances are trading in nature and are unsecured, non-interest bearing and repayable within the credit term. The credit period is 90 days and the balances are aged within 0-60 days.

At the balance sheet date, no amount due from a minority shareholder is past due for which the Group has not provided for impairment loss. The amount due from it is fully settled subsequent to the balance sheet date.

Amount due to a minority shareholder of a subsidiary is denominated in US$, the currency other than the functional currency of respective group entity.

28. INVESTMENTS HELD FOR TRADING

	2008	**2007**
	HK$'000	*HK$'000*
Mutual funds	3,243	—

At 31st December, 2008, the portfolio of mutual funds held by the Group includes equity securities listed in Hong Kong. The amount is denominated in US$, the currency other than the functional currency of respective group entity.

29. BANK DEPOSITS AND BANK BALANCES

The Group's bank deposit of approximately HK$936,000 (2007: HK$2,910,000) has been pledged to secure banking facilities granted to a subsidiary. The pledged bank deposit carried fixed interest rate of 1.35% (2007: 3.76%) per annum.

Short term bank deposits and bank balances included short-term deposits with an original maturity of three months or less. Bank deposits received interest at prevailing market interest rate ranged from 0.05% to 6.87% (2007: 2.75% to 8.25%) per annum.

Bank balances and cash and short-term bank deposits of approximately HK$51,730,000 (2007: HK$4,091,000), nil (2007: HK$25,615,000), nil (2007: HK$14,074,000) and HK$900,000 (2007: HK$4,293,000) were denominated in US$, AUD, NZD and RMB respectively, the currencies other than the functional currency of the respective group entities.

30. CREDITORS, BILLS PAYABLE AND ACCRUED CHARGES

	2008	**2007**
	HK$'000	*HK$'000*
Trade creditors	114,417	47,852
Bills payable	1,141	3,092
Other creditors and accrued charges	55,231	14,549
Advance received from a customer	77,500	—
Amount due to a related company	481	—
	248,770	65,493

The following is an aged analysis of trade creditors and bills payable as at the reporting date:

	2008	**2007**
	HK$'000	*HK$'000*
0-60 days	75,622	39,163
61-90 days	5,222	8,889
> 90 days	34,714	2,892
	115,558	50,944

Trade creditors and bills payable of approximately HK$11,502,000 (2007: HK$7,822,000) and HK$4,580,000 (2007: HK$2,159,000) were denominated in US$ and RMB respectively, the currencies other than the functional currency of the respective group entities.

The amount due to a related company is unsecured, non-interest bearing and repayable on demand.

31. AMOUNT DUE TO A DIRECTOR

The balance is unsecured, non-interest bearing and repayable on demand.

32. PROMISSORY NOTES

	2008
	HK$'000
Balance at 1st January, 2007 and 2008	—
Issued upon the acquisition of businesses at fair value *(note 38)*	190,476
Imputed interest expenses	2,843
Repayment for the year	(100,000)
Loss on early redemption	2,713
Balance at 31st December, 2008	96,032

On 11th January, 2008, the Group and Mr. Wu Jixian, an executive director of the Company as appointed on 1st June, 2008, entered into a sale and purchase agreement (the "Agreement") pursuant to which the Company issued the two promissory notes in the principal amount of HK$100 million each on 16th May, 2008 and 31st October, 2008 respectively with a maturity period of 12 months from the respective dates of issue to Mr. Wu Jixian for the partial settlement of the consideration for the acquisitions of Pride Eagle Group and Joy Wisdom Group respectively. The promissory notes are unsecured and non-interest bearing.

The fair value, represented the present value of the promissory notes, is arrived based on the maturity period of 12 months and an effective interest rate of 5% per annum.

33. BANK BORROWINGS

	2008	2007
	HK$'000	*HK$'000*
Bank borrowings comprise the following:		
Trust receipt and import loans	—	26,881
Export loans	387,500	—
Mortgage loans	55,995	—
Other bank loans	3,483	9,441
	446,978	36,322
Secured	443,494	—
Unsecured	3,484	36,322
	446,978	36,322
Carrying amount repayable:		
On demand or within one year	397,460	36,322
More than one year, but not exceeding two years	6,509	—
More than two years but not more than five years	19,733	—
More than five years	23,276	—
	446,978	36,322
Less: Amounts due within one year shown under current liabilities	(397,460)	(36,322)
	49,518	—

Export loans represent the loans obtained by the Group to make advance payments to a minority shareholder of a subsidiary for purchases as set out in note 26. The export loan will be settled by receipts from future export sales of coke, or the maturity of the banking facilities granted by the bank in February 2010, whenever earlier.

Other bank loans represent the loans from discounted bills with recourse.

Bank borrowings of approximately HK$390,983,000 (2007: HK$34,394,000) were denominated in US$, the currency other than the functional currency of the respective group entities.

The above borrowings bear interests at floating rates, and thus expose to cash flow interest rate risk. The average effective interest rate is approximately 3.62% (2007: 6.82%) per annum.

34. SHARE CAPITAL

	Number of ordinary shares of HK$0.10 each		Nominal value	
	2008	2007	2008	2007
	'000	*'000*	*HK$'000*	*HK$'000*
Authorised:				
At beginning of the year	1,000,000	1,000,000	100,000	100,000
Increase on 7th April, 2008 *(note a)*	9,000,000	—	900,000	—
Increase on 23rd July, 2008 *(note b)*	10,000,000	—	1,000,000	—
At end of the year	20,000,000	1,000,000	2,000,000	100,000
Issued and fully paid:				
At beginning of the year	477,926	477,926	47,793	47,793
Conversion of convertible bonds *(note c)*	1,335,000	—	133,500	—
At end of the year	1,812,926	477,926	181,293	47,793

Notes:

(a) Pursuant to the resolutions passed at the special general meeting held on 7th April, 2008, the Company increased the authorised share capital from HK$100,000,000 to HK$1,000,000,000 by the creation of 9,000,000,000 new ordinary shares of HK$0.10 each in the capital of the Company.

(b) Pursuant to the resolutions passed at the special general meeting held on 23rd July, 2008, the Company increased the authorised share capital from HK$1,000,000,000 to HK$2,000,000,000 by the creation of 10,000,000,000 new ordinary shares of HK$0.10 each in the capital of the Company.

(c) During the year, the Company received notices of conversion from the holders of the Tranche 1 Bonds (as defined in note 35) exercising the right to convert the convertible bonds in the aggregate principal amount of HK$534,000,000 into 1,335,000,000 ordinary shares of HK$0.10 each in the Company at the conversion price of HK$0.40 per share. These shares rank pari passu in all aspect with other shares in issue.

35. CONVERTIBLE BONDS

Pursuant to the Agreement, the Company issued two tranches of zero coupon convertible bonds, each of which has principal amount of HK$1,100 million to Mr. Wu Jixian on 16th May, 2008 ("Tranche 1 Bonds") and 31st October, 2008 ("Tranche 2 Bonds") respectively, with maturity date on the fifth anniversary of the respective dates of issue for the partial settlement of the acquisitions of Pride Eagle Group and Joy Wisdom Group respectively.

The convertible bonds should accrue no interest and are freely transferable, provided that where the convertible bonds are intended to be transferred to a connected person (as defined in the Listing Rules) of the Group (other than the associates of the bondholder) such transfer shall comply with the requirements under the Listing Rules and/or requirements imposed by the Stock Exchange, if any.

The bondholder may at any time during the five years from the respective dates of issue convert the whole or part of the principal amount of the convertible bonds into new ordinary shares of the Company at the conversion price of HK$0.40 per share, provided that (i) no conversion rights attached to the convertible bonds may be exercised, to the extent that following such exercise, a holder of the convertible bonds and parties acting in concert with it, taken together, will directly or indirectly, control or be interested in 30% or more of the entire issued shares of the Company (or in such percentage of the issued share capital of the Company as may from time to time be specified in the Hong Kong Code on Takeovers and Mergers as being level for triggering a mandatory general offer); and (ii) no holder of the convertible bonds shall exercise the conversion right attached to the convertible bonds held by such holders if immediately after such conversion, the public float of the shares fall below the minimum public float requirement stipulated under Rule 8.08 of the Listing Rules as required by the Stock Exchange. The conversion price of HK$0.40 per share is subject to adjustment for consolidation, sub-division or re-classification of shares, capital reduction, rights issues and other events which have diluting effects on the issued share capital of the Company. Any convertible bonds which remain outstanding on the maturity date shall be converted automatically into the new share of the Company under the same terms as mentioned above.

The convertible bonds are equity instrument containing equity element only and are presented in equity heading "convertible bonds reserve".

The total number of ordinary shares to be converted from the convertible bonds is 5,500 million of HK$0.10 each. The fair value of convertible bonds are determined by reference to the quoted market price of the ordinary shares of the Company, being HK$0.66 and HK$0.57 for each ordinary share, at respective issuance dates of Tranche 1 Bonds and Tranche 2 Bonds.

The movement of the amount of the convertible bonds during the year is set out below:

	HK$'000
At 1st January, 2007 and 2008	—
Issued during the year, upon the acquisitions of businesses *(note 38)*	3,382,500
Converted during the year	(881,100)
At 31st December, 2008	2,501,400

At the time when the convertible bonds are converted into ordinary shares of the Company, the nominal value of share capital issued upon conversion will be transferred from the convertible bonds reserve to the share capital account while the difference between the fair value of the convertible bonds at their issuance dates and the nominal value of share capital issued will be transferred from the convertible bonds reserve to the contributed surplus account. During the year, convertible bonds with aggregate carrying amount of HK$881,100,000 (principal amount of HK$534,000,000) were converted into 1,335,000,000 number of the Company's shares. Accordingly, HK$133,500,000 was transferred to share capital account while HK$747,600,000 was transferred to contributed surplus account. If the remaining convertible bonds with an aggregate carrying amount of HK$2,501,400,000 are fully converted into ordinary shares of the Company subsequently, HK$416,500,000 will be transferred to the share capital account while the remaining HK$2,084,900,000 will be transferred to the contributed surplus account.

36. SHARE OPTION SCHEME

The Company's share option scheme (the "Scheme"), was adopted pursuant to a resolution passed on 31st May, 2002 for the primary purpose of providing incentives to director and eligible employees, and is effective for a period of 10 years commencing on the adoption date. Under the Scheme, the Board of Directors of the Company may grant options to eligible employees, including directors of the Company and its subsidiaries, to subscribe for shares in the Company.

Options granted must be taken up within 28 days of the date of grant, upon payment of HK$1 per option. Options may be exercised at any time from the date of grant of the share option to the expiration of the Scheme. The exercise price is determined by the directors of the Company, and will not be less than the higher of (i) the closing price of the Company's shares on the date of grant, (ii) the average closing price of the shares for the five business days immediately preceding the date of grant; and (iii) the nominal value of the Company's share.

No share options were granted or exercised since date of adoption and there was no outstanding share option at the balance sheet date.

37. DEFERRED TAXATION

The following are the major deferred tax liabilities and assets recognised and movements thereon during the current and prior reporting periods:

	Accelerated tax depreciation	Tax losses	Fair value of investment properties	Fair value adjustments on business combination	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
At 1st January, 2007	4,854	(168)	—	—	4,686
(Credit) charge to consolidated income statement for the year	(2,552)	168	—	—	(2,384)
At 31st December, 2007	2,302	—	—	—	2,302
Acquisition of businesses *(note 38)*	151	(231)	2,219	147,583	149,722
Credit to consolidated income statement for the year	(982)	(211)	(2,325)	(4,487)	(8,005)
Effect of change in tax rate	(132)	—	—	—	(132)
At 31st December, 2008	1,339	(442)	(106)	143,096	143,887

Starting from 1st January, 2008, the tax law of the PRC requires withholding tax upon the distribution of undistributed retained profits earned by the PRC subsidiaries to the foreign shareholders. Deferred tax has not been provided for in the consolidated financial statements in respect of the temporary differences attributable to such profits amounting to approximately HK$52,298,000 as the Group is able to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

At the balance sheet date, the Group has estimated unused tax losses of approximately HK$16,222,000 (2007: HK$38,433,000) available for offset against future profits. At 31st December, 2008, a deferred tax asset had been recognised in respect of approximately HK$2,675,000 (2007: nil), no deferred tax asset has been recognised in respect of the remaining HK$13,547,000 (2007: HK$38,433,000) due to the uncertainty of future profit streams. The losses may be carried forward indefinitely.

38. ACQUISITION OF BUSINESSES

(i) Acquisition of Pride Eagle Investments Limited and its subsidiaries ("Pride Eagle Group")

On 16th May, 2008, the Group acquired the entire share capital of Pride Eagle Group for a total consideration of approximately HK$1,912 million. The total consideration has been settled by the issue of Tranche 1 Bonds and a promissory note with a principal amount of HK$1,100 million and HK$100 million, respectively. The transaction has been accounted for using the purchase method of accounting.

The net assets acquired in this acquisition are as follows:

	Acquiree's carrying amount before combination	**Fair value adjustments**	**Fair value**
	HK$'000	*HK$'000*	*HK$'000*
Net assets acquired:			
Property, plant and equipment	13,720	—	13,720
Prepaid lease payments	49,148	24,249	73,397
Other intangible assets *(note 21)*	—	870,192	870,192
Investment properties	60,552	—	60,552
Available-for-sale investment	2,568	—	2,568
Debtors, bills receivable and prepayments	351,384	—	351,384
Investments held for trading	3,183	—	3,183
Bank balances and cash	3,238	—	3,238
Creditors, bills payable and accrued charges	(86,059)	—	(86,059)
Tax payable	(21,497)	—	(21,497)
Deferred taxation	(2,139)	(147,583)	(149,722)
Bank borrowings	(293,839)	—	(293,839)
	80,259	746,858	827,117
Goodwill			1,085,213
Total consideration			1,912,330
Satisfied by:			
Convertible bonds *(note)*			1,815,000
Promissory note *(note)*			95,238
Directly attributable costs			2,092
			1,912,330
Net cash inflow arising on acquisition:			
Bank balances and cash acquired			3,238
Directly attributable costs paid			(2,092)
			1,146

Pride Eagle Group principally engages in the trading of coke and property investment. The goodwill arising on the acquisition of Pride Eagle Group is attributable to the anticipated profitability of the trading of coke business.

Pride Eagle Group contributed HK$677,077,000 to the revenue and a loss of HK$12,857,000 to the Group's loss before tax for the period between the date of acquisition and 31st December, 2008.

If the acquisition had been completed on 1st January, 2008, total Group's revenue for the year ended 31st December, 2008 would have been HK$1,931,446,000, and loss for the year ended 31st December, 2008 would have been HK$1,756,432,000. The pro forma information is for illustrative purposes only and is not necessarily an indication of revenue and profit for the year of the Group that actually would have been achieved had the acquisition been completed on 1st January, 2008, nor is it intended to be projection of future results.

(ii) Acquisition of Joy Wisdom Group

On 31st October, 2008, the Group acquired the entire share capital of Joy Wisdom Group for total agreed consideration of approximately HK$1,665 million. The total agreed consideration has been settled by the issue of Tranche 2 Bonds and a promissory note with a principal amount of HK$1,100 million and HK$100 million, respectively. The transaction has been accounted for using the purchase method of accounting.

The net assets acquired in the transaction are as follows:

	Acquiree's carrying amount before combination and provisional fair value
	HK$'000
Net assets acquired:	
Property, plant and equipment	475,440
Inventories	62,917
Debtors, bills receivable and prepayments	52,330
Amount due from a minority shareholder of a subsidiary	35,533
Bank balances and cash	144
Creditors, bills payable and accrued charges	(79,700)
Tax payable	(12,216)
	534,448
Minority interests	(53,446)
Goodwill	1,184,432
Total consideration	1,665,434
Satisfied by:	
Convertible bonds *(note)*	1,567,500
Promissory note *(note)*	95,238
Directly attributable costs	2,696
	1,665,434
Net cash outflow arising on acquisition:	
Bank balances and cash acquired	144
Directly attributable costs paid	(2,696)
	(2,552)

Joy Wisdom International Limited is an investment holding company which in turn holds 90% of the registered capital of GRG Huscoke 金岩和嘉. GRG Huscoke 金岩和嘉 principally engages in the coal-related ancillary businesses which include the businesses of coal washing service, electric power generation, transport services in respect of coal and other ancillary materials and generation of heat. The goodwill arising on the acquisition of Joy Wisdom Group is attributable to the anticipated profitability of its businesses.

Joy Wisdom Group contributed HK$217,424,000 to the revenue and a profit of HK$71,369,000 to the Group's loss before tax for the period between the date of acquisition and the 31st December, 2008.

If the acquisition had been completed on 1st January, 2008, total Group's revenue for the year ended 31st December, 2008 would have been HK$1,591,520,000, and loss for the year ended 31st December, 2008 would have been HK$1,815,999,000. The pro forma information is for illustrative purposes only and is not necessarily an indication of revenue and profit for the year of the Group that actually would have been achieved had the acquisition been completed on 1st January, 2008, nor is it intended to be projection of future results.

The Group is in the process of identifying any intangible assets of Joy Wisdom Group at date of completion of the acquisition, thus, the determination of the goodwill disclosed herein is preliminary and subject to revision once the Company completes its valuation exercise and upon the receipt of professional valuations.

Note: The determination of the fair value of the promissory notes and convertible bonds are set out in notes 32 and 35 respectively.

39. DISPOSAL OF SUBSIDIARIES

(i) As disclosed in note 12, on 31st October, 2008, the Group discontinued its manufacturing and sale of other consumer products operations by the disposal of its subsidiaries, Bigfield Group. The net assets of Bigfield Group at the date of disposal were as follows:

	HK$'000
Property, plant and equipment	20,751
Prepaid lease payments	151
Inventories	5,158
Debtors, bills receivable and prepayments	5,487
Bank balances and cash	4,431
Creditors, bills payable and accrued charges	(8,353)
	27,625
Gain on disposal of subsidiaries	8,375
Total consideration settled by cash	36,000
Net cash inflow arising on disposal of subsidiaries:	
Cash consideration	36,000
Bank balances and cash disposed of	(4,431)
	31,569

The impact of Bigfield Group on the Group's results and cash flows in the current and prior periods is disclosed in note 12.

(ii) During the year ended 31st December, 2007, the net assets of the subsidiaries at the date of disposal/liquidation were as follows:

	HK$'000
Property, plant and equipment	12,052
Prepaid lease payments	3,332
Inventories	463
Debtors, bills receivable and prepayments	1,888
Bank balances and cash	2,131
Creditors, bills payable and accrued charges	(2,906)
	16,960
Exchange gain realised	(5,107)
	11,853
Loss on disposal/liquidation of subsidiaries	(3,573)
Total consideration settled by cash	8,280
Net cash inflow arising on disposal/liquidation of subsidiaries:	
Cash consideration	8,280
Bank balances and cash disposed of	(2,131)
	6,149

The subsidiaries disposed/liquidated during the year ended 31st December, 2007 had no significant contribution to the Group's operating results and cash flows for the year ended 31st December, 2007.

40. PLEDGE OF ASSETS

At 31st December, 2008, other than the pledged bank deposit as disclosed in note 29, the Group pledged certain buildings, prepaid lease payments and investment properties which have an aggregate carrying value of approximately HK$32,542,000 (2007: nil), HK$73,077,000 (2007: nil) and HK$26,658,000 (2007: nil) respectively and the benefits of the leases and tenancies of the investment properties to secure general banking facilities granted to the Group.

41. CAPITAL COMMITMENTS

	2008 *HK$'000*	**2007** *HK$'000*
Capital expenditure in respect of acquisition of property, plant and equipment contracted for but not provided in the consolidated financial statements	66	184

In addition, at 31st December, 2008, the Group had the capital commitment in relation to a conditional sale and purchase agreement entered into on 21st April, 2008 for the acquisition of the entire issued share capital of Oden Group Limited (the "Oden's Agreement"). The consideration of HK$2,400 million (subject to adjustment) shall be satisfied by the Company on completion of the acquisition by issue of convertible bonds. The acquisition has not yet been completed up to the balance sheet date.

42. OPERATING LEASE COMMITMENTS

The Group as lessee

At the balance sheet date, the Group had commitments for future minimum payments under non-cancellable operating leases in respect of leasehold interest in land and rented properties which fall due as follows:

	2008	**2007**
	HK$'000	*HK$'000*
Within one year	1,144	8,246
In the second to fifth year inclusive	1,918	7,401
Over 5 years	7,033	—
	10,095	15,647

Leases are negotiated for a term of one to twenty years and rentals are fixed for the leased period.

The Group as lessor

Property rental income earned by the Group during the year was approximately HK$791,000 (2007: nil). The properties held have committed tenants for lease terms of 2 years.

At the balance sheet date, the Group had contracted with tenants for the following future minimum lease payments:

	2008	**2007**
	HK$'000	*HK$'000*
Within one year	151	—

43. RELATED PARTY TRANSACTIONS

(a) During the year, the Group entered into the following transaction with a related party:

	2008	**2007**
	HK$'000	*HK$'000*
Sales of refined coal and electricity to a minority shareholder of a subsidiary	210,022	—
Purchases of coke from a minority shareholder of a subsidiary	625,165	—
Rental expense to a related company	1,200	1,200
Management fee income from a related company	495	—

The related companies are companies in which certain directors of the Company have beneficial interests. Rental expense was for the provision of quarters to certain directors of the Company and has been included in directors' emoluments.

Details of balances with related companies and a minority shareholder of a subsidiary are set out in the consolidated balance sheet and notes 26, 27, 30, 31 and 38 to the consolidated financial statements.

(b) Compensation of key management personnel

The remuneration of directors and other members of key management during the year was as follows:

	2008	2007
	HK$'000	*HK$'000*
Salaries and other short term employee benefits	10,649	9,202
Retirement benefit costs	55	179
	10,704	9,381

The remuneration of directors and key executives is determined having regard to the performance of individuals and market trends.

44. MAJOR NON-CASH TRANSACTIONS

On 16th May, 2008 and 31st October, 2008, the Group acquired the entire issued share capital of Pride Eagle Group and Joy Wisdom Group respectively. The aggregate purchase consideration was HK$2,400 million each, which were satisfied by the issue of HK$2,200 million convertible bonds and HK$200 million promissory notes by the Company. Details of these are set out in note 38 (i) and (ii).

45. POST BALANCE SHEET EVENTS

The following events took place subsequent to the balance sheet date:

(a) On 31st January, 2009, the Oden's Agreement was lapsed as agreed between the Group and the vendor, because some of the conditions for the acquisition had not been satisfied nor waived.

(b) On 27th February, 2009, the Company granted 5,500,000 options under the option scheme to certain directors of the Company and other employees with exercisable period from 27th February, 2009 to 26th February, 2014. Each share option shall entitle the holder of the share option to subscribe for one ordinary share of the Company at an exercise price of HK$0.50 per share.

46. PARTICULARS OF SUBSIDIARIES OF THE COMPANY

Name of company	Country/ place of incorporation or registration	Principal place of operation	Nominal value of issued/ registered capital	Proportion of nominal value of issued/registered capital held by the Company 2008	2007	Principal activities
Rich Key Enterprises Limited	British Virgin Islands	Hong Kong	Ordinary — US$1	100%	—	Investment holding
Pride Eagle Investments Limited	British Virgin Islands	Hong Kong	Ordinary — US$1	100%	—	Investment holding
Huscoke International Group Limited	Hong Kong	Hong Kong	Ordinary — HK$10,000	100%	—	Trading of coke
Ocean Signal Limited	Hong Kong	Hong Kong	Ordinary — HK$10,000	100%	—	Properties holding
Joy Wisdom International Limited	British Virgin Islands	Hong Kong	Ordinary — US$1	100%	—	Investment holding
Huscoke International Investment Limited	Hong Kong	Hong Kong	Ordinary — HK$10,000	100%	—	Investment holding
GRG Huscoke 金岩和嘉 *(note i)*	PRC	PRC	HK$500,000,000	90%	—	Coal-related ancillary businesses — coal washing and generation of electric power and heat
Big Field (B.V.I.) Limited *(note ii)*	British Virgin Islands	Hong Kong	Ordinary — US$600	—	100%	Investment holding
Bigfield Goldenford Holdings Limited *(note ii)*	Hong Kong	Hong Kong	Ordinary — HK$153,000 Deferred — HK$147,000 *(note iii)*	—	100%	Manufacture of wooden and paper products
Dominion Trading Ltd.	British Virgin Islands	Hong Kong	Ordinary — US$100	100%	100%	Investment holding, property and share investment
Frankie Dominion (B.V.I.) Company Limited	British Virgin Islands	Hong Kong	Ordinary — US$35,000	100%	100%	Investment holding

Name of company	Country/ place of incorporation or registration	Principal place of operation	Nominal value of issued/ registered capital	Proportion of nominal value of issued/registered capital held by the Company 2008	2007	Principal activities
Frankie Dominion (Holdings) Limited	Hong Kong	Hong Kong	Ordinary — HK$1,000 Deferred — HK$35,000,000 *(note iii)*	100%	100%	Investment holding, property investment and design, manufacture and sale of a diversified range of consumer home products
Frankie Trading Company Limited	Hong Kong	Hong Kong	Ordinary — HK$5,000,000	100%	100%	Inactive
Home Mart Store Limited	Hong Kong	Hong Kong	Ordinary — HK$5,000,000	100%	100%	Inactive
Michel Manufactory Limited	Hong Kong	Hong Kong	Ordinary — HK$10,000	100%	100%	Inactive
Frankie Dominion (Guangzhou) Trading Limited ("Frankie Dominion Trading") 嘉利興 (廣州) 貿易有限公司 ("嘉利興") *(note iv)*	PRC	PRC	HK$3,000,000	100%	100%	Net yet commence business

Notes:

(i) GRG Huscoke 金岩和嘉 is a sino-foreign equity joint venture company established in the PRC. Under the joint venture agreement, the Group is responsible to contribute HK$450,000,000 to the registered capital, share 90% of the profits and losses and entitle to 90% voting rights of GRG Huscoke 金岩和嘉.

(ii) The companies were disposed of during the year ended 31st December, 2008.

(iii) The deferred shares, which are not held by the Group, carry minimal rights to dividends or to receive notice of or attend or vote at any general meeting of these companies. On a winding-up, the holders of the deferred shares are entitled to share out of the surplus assets of these companies only after a total of HK$100,000,000,000,000 has been distributed to the holders of the ordinary shares.

(iv) Frankie Dominion Trading 嘉利興 is a wholly owned foreign enterprise.

None of the subsidiaries had any debt securities subsisting at the end of the year or at any time during the year.

3. INDEBTEDNESS STATEMENT

Borrowings

As at the close of business on 31 December 2009, being the latest practicable date for the purpose of this indebtedness statement prior to the printing of this circular, the Enlarged Group had the following outstanding borrowings:

	HK$'000
Bank borrowings — secured *(Note)*	376,669
Promissory note — unsecured	15,000
	391,669

Note:

	HK$'000
Bank borrowings comprise the following:	
Export loans	333,469
Mortgage loans	43,200
	376,669

Contingencies

The Enlarged Group did not have any material contingent liabilities or guarantees as at 31 December 2009.

Disclaimer

Save as aforesaid and apart from intra-group liabilities, as at the close of business on 31 December 2009, the Enlarged Group had no debt securities issued and outstanding, and authorised or otherwise created but unissued, term loans, distinguishing between guaranteed, unguaranteed, secured and unsecured, and guaranteed, unguaranteed, secured and unsecured bank borrowings including, bank loans and overdrafts or other similar indebtedness, liabilities under acceptances (other than normal trade bills) or acceptance credit, mortgage, charges, hire purchase or finance lease commitments, guarantees or other material contingent liabilities.

Save as aforesaid, the Directors confirm that there has been no material change to the indebtedness and contingent liabilities of the Enlarged Group since 31 December 2009 and up to the Latest Practicable Date.

4. SUFFICIENCY OF WORKING CAPITAL

As at the Latest Practicable Date, after due and careful enquiry, the Directors are of the opinion that, in the absence of unforeseen circumstances and after taking into account the present internal financial resources of the Enlarged Group (including principally cash at bank and listed securities investment), the Enlarged Group will, immediately following the completion of the Acquisition, have sufficient working capital for at least 12 months from the date of this circular.

5. MATERIAL ADVERSE CHANGE

The Directors confirm that there is no material adverse changes in the financial or trading position of the Group since 31 December 2008, the date to which the latest audited consolidated financial statements of the Group were made.

6. MANAGEMENT DISCUSSION AND ANALYSIS

For the year ended 31 December 2008

Business Review

The Group's turnover for continuing operations for the year ended 31st December, 2008 has been sharply increased by 370.71% to approximately HK$1,235.09 million compared to that of 2007 of approximately HK$262.39 million. The substantial increase in turnover was contributed by the new development of the coal related businesses acquired during the year. In 2008, the Group has completed the acquisitions of two businesses i.e. the coal trading and coal-related ancillary businesses on 16th May, 2008 and 31st October, 2008 respectively. These two new businesses contributed the Group's revenue by HK$676.29 million and HK$217.42 million respectively. In 2008, the Group has engaged in the following five segments and their performances can be summarized as follows:

Trading — coke (newly acquired business)

The Group completed the acquisition of this new business on 16th May, 2008, which relates to the trading of PRC's coke to overseas customers. From 16th May, 2008 to 31st December, 2008, this segment contributed additional revenue of HK$676.29 million to the Group. Excluding the amortisation of other intangible asset and impairment loss on goodwill amounting to HK$27.19 million and HK$1,074.50 million respectively, net profit for this segment was around HK$39.73 million for the period. The Group has an exclusive right to export coke from the minority shareholder of a subsidiary to overseas' customers. In 2008, this supplier controls around 4.2% PRC export quotas for coke.

Trading — others

This segment mainly related to the trading of variety range of household products. Turnover of this segment for the year increased greatly by 80.03% to approximately HK$298.43 million representing around 24.16% of the Group's revenue for continuing operations. The amount of segment profits for the year has been increased by 111.12% to nearly HK$20.09 million. Such increase was mainly due to the reallocation of resources from the manufacturing sections to the trading section as the management believes that in economic downturn, trading business contributes more stable income than the manufacturing section.

Manufacturing of household products

This division mainly engaged in the manufacturing and sale of PVC bag, cushion, shower and window curtain, oven mitten and other household products. The division recorded a revenue of approximately HK$42.16 million for the year, representing 56.37% decrease compared to last year's figures. Segment profit of this division was decreased by 80.20% to approximately HK$4.23 million.

Coal related ancillary businesses (newly acquired business)

To further expand and diversify the Group's business, the Group has completed the acquisition of the coal-related ancillary business on 31st October, 2008. This business related to the business of coal washing, using the by-products in the washing process for electricity and heat generation and a transportation team. After the completion of this acquisition, coal prices have been greatly reduced due to the outbreak of the economic tsunami in late 2008 which has improved the profits margin for this segment. The new division contributed a turnover of HK$217.42 million and excluding an impairment loss on Goodwill amounting to HK$795.89 million, an operating net profit amounting HK$71.27 million was recorded.

Manufacturing of others (discontinued operations)

This division engaged in the manufacturing and sales of wooden and paper products and has recorded a turnover of approximately HK$135.99 million. This segment generated a segment loss of approximately HK$25.35 million to the Group. With the continuous loss generated in this segment, the Group has disposed all the interests of this segment based on the net assets value of this segment as at 30th June, 2008 and the disposal has been completed on 31st October, 2008.

Overall Gross Profits

With the contributions from the two newly acquired businesses and the disposal of the loss making business stated above, the Group overall operating gross profits ratio (before amortisation of other intangible asset) has been increased from 2007's 3.9% to current year's 10.3%.

Finance Costs

Interests expenses increased greatly from 2007's HK$4.37 million to current year's HK$13.34 million. The increase was mainly generated from the funding used for the trading of coke business acquired in 2008.

Impairment Loss on Goodwill

In 2008, the Group has carried out two very substantial acquisitions to develop the coal related businesses. To finance these acquisitions, the Group issued two tranches convertible bonds and promissory notes. The aggregate principal values of these convertible bonds at the agreement dates are HK$2,200 million. In applying the Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants, these convertible bonds should be recorded at fair value at the dates of completions. With reference to the share prices at the dates of completions, i.e. 16th May, 2008 and 31st October, 2008, the aggregate fair values of these convertible bonds rise to HK$3,382.5 million. The increase in the value of convertible bonds increased the Goodwill arising from acquisitions by HK$1,182.5 million and ultimately has been fully impaired as at 31st December, 2008. Also, the newly acquired coal related businesses are expected to be affected by the economic tsunami happened in late 2008 which has increased the amount of impairment loss on Goodwill.

This great impairment loss on Goodwill will not affect the Group's operations since it will not affect the financial and cashflow positions of the Group. It is one-off non operating loss recorded in the year 2008. For future distribution of dividend, the increase in fair value will create a large amount in convertible bonds reserve or after conversion, transfer to the contributed surplus account. Since both accounts can be distributed by nature, the Group future potential ability for dividend distribution will not be affected.

Charges over Assets

Around HK$32.54 million (2007: nil) of building, HK$73.08 million (2007: nil) of prepaid lease payments, HK$26.66 million (2007: nil) of investment properties and HK$0.94 million (2007: HK$2.91 million) of bank deposit have been charged to secure banking facilities granted to various subsidiaries. Save as disclosed above, no other property, plant and equipment with any carrying value is pledged to any bank to secure banking facilities granted to subsidiaries.

Liquidity and Financial Resources

Net current assets and current ratio were approximately HK$64.72 million and 1.08:1 as at 31st December, 2008. At 31st December, 2007 the amount was HK$101.2 million and 1.99:1. The decrease in current ratio is largely due to the issuance of promissory notes amounting to HK$200 million to finance the acquisitions of both coal trading and coal-related ancillary business and the raising of bank loan for the advance payment required for the coke trading business.

The Group's bank balances and cash equivalents amounted to approximately HK$68.02 million (31st December, 2007: approximately HK$85.1 million). Bank borrowings amounted to approximately HK$446.98 million. Around HK$387.50 million of the bank borrowings was the structured trade finance for the coke export business and around HK$55.99 million bank borrowings was the mortgaged loan for various properties located in Hong Kong.

Employees and Remuneration

As at 31st December, 2008, the Group had approximately 930 employees (31st December, 2007: approximately 2,700 employees). Less than 100 staffs are stationed in Hong Kong and the rest are PRC workers. The Group's staff cost for continuing operations amounted to approximately HK$28.01 million for the year ended 31st December, 2008 and approximately HK$25.36 million was recorded in last corresponding period.

Employees are remunerated according to the nature of the job and market trends, with a built-in merit component incorporated in the annual increment and a year-end performance bonus to reward motivate individual performance. Up to the date of this report, there are 5,500,000 share options granted under the share option scheme.

Main Acquisitions and New Business Development

In 2008, as stated above, the Group has completed the acquisitions of the coke trading business and the coal-related ancillary business on 16th May, 2008 and 31st October, 2008 respectively. To finance both acquisitions, the Group has issued HK$100 million promissory notes and HK$1,100 million convertible bonds for each of the acquisitions. Both convertible bonds have the exercisable period of five years and are at zero coupon rates. For the fair value of these convertible bonds, please refer to the section "IMPAIRMENT LOSS ON GOODWILL" stated above.

With the continuous poor performance of the Manufacturing — Others segment in the previous two financial years ended 31st December, 2007 and the six months ended 30th June, 2008, the Group has disposed this segment at 31st October, 2008 at the consideration of HK$36 million. The consideration was determined after arm's length negotiation with reference to the unaudited consolidated net assets value of this segment.

Prospects

After the above two acquisitions and the disposal stated above, the Group starts to engage in coal related businesses. Currently, the demand for PRC export coke has been greatly reduced due to both the economic tsunami and the increase in the PRC export tax. It is expected that in medium terms, in order to stimulate the economy, overseas governments will increase their spendings in infrastructure which will ultimately increase the demand for coke as the necessary resources in steel production. In the supply side, due to the PRC's quota system on export coke, quantities for export coke are fixed and surely not adequate to meet with international demand. The price of PRC exported coke will surely be increased.

To further increase the profitability of the Group, management will continue to investigate the possibilities for expanding the Group's capacity and for securing more coal as raw materials for coal washing. The Group may consider undertaking the coal mines nearby in order to purchase coal at discounted prices or to acquire a coke processing plant to become an integrated coke producer and exporter. Management considers that both moves can enlarge the profits margin of the Group.

With the expected increase in steel production in countries like USA, the PRC, Russia and Europe, demands for PRC's coke will surely be increased in the coming years. It supports our management's view and decision to engage in the coal related business. Overall, management believes the repositioning of the Group's business by disposing the loss making business and acquiring profits generated coal related business is a successful move for the Group's long term development and management is optimistic in the prospects of the Group.

For the year ended 31 December 2007

Business review

The Group's turnover in the year ended 31st December, 2007 decreased by 10.37% to approximately HK$640,635,000 compared to the corresponding period in 2006 of approximately HK$714,731,000. The dominant markets in Europe constituted 56.68% of the turnover amounting to approximately HK$363,141,000 (2006: 56.53% amounting to HK$404,057,000). North American sales, as a percentage of turnover increased by 1.77% to 34.38% amounting to approximately HK$220,249,000 (2006: 32.61% amounting to HK$233,107,000). South American sales slightly increased to 0.64% amounting to approximately HK$4,143,000 (2006: 0.53% amounting to HK$3,811,000). Sales in other markets decreased to the amount of approximately HK$31,389,000 (2006: HK$36,819,000). Product sales in the Hong Kong market constituted 3.39% of the turnover amounting to approximately HK$21,713,000 (2006: 5.17% amounting to HK$36,937,000).

Gross Profit

The Group's gross profit margin was 3.86% (2006: 9.69%), a decrease of 583 basis points from 2006. Management continues to work on margin improvement, mainly by offering meaningfully differentiated and high value-added products and reducing cost of goods through better sources and cost control.

Product Categories

Sales of the major products out of the Group's turnover in 2007 were 25.60% for paper products (2006: 25.65%), 32.66% for wooden products (2006: 31.93%) and 41.74% for household items, home textiles products and tablemats (2006: 42.42%).

Finance Costs

Interest expenses decreased by 24.58% to approximately HK$4,369,000 in 2007 (2006: HK$5,793,000) as a result of decreasing bank borrowings during the year.

Charges over assets

Save for a bank deposit of approximately HK$2.9 million (2006: HK$2.8 million), no other property, plant and equipment with any carrying value is pledged to banks to secure banking facilities granted to subsidiaries.

Exposure to fluctuations in exchange rates and related hedges

All transactions of the Group are denominated in Hong Kong dollars, United States dollars and Renminbi. Transactions in foreign currency are translated at the rates prevailing on the dates of the transactions or at the contracted settlement rate. The exchange rates between these currencies were stable during the year under review, save in respect of the gradual appreciation of Renminbi against US dollars and Hong Kong dollars. No hedging for foreign exchange was used given the Group's exposure to currency fluctuation was still relatively limited.

Liquidity and financial resources

Net current assets and current ratio were approximately HK$88,770,000 and 1.53:1 as at 31st December, 2006 and approximately HK$101,220,000 and 1.99:1 as at 31st December, 2007. The increase in net current assets is largely due to a decrease in bank borrowings and proceeds from disposal of properties. Raw material, workin-progress and finished goods decreased by 34.16% to approximately HK$44,482,000 (2006: HK$67,563,000).

As at 31st December, 2007, the Group's bank balances and cash amounted to approximately HK$85,090,000 (2006: HK$81,424,000) and bank borrowings amounted to approximately HK$36,322,000 (2006: HK$70,029,000). Therefore, the calculation of net debt to equity ratio was not applicable because the Group had surplus cash of approximately HK$48,768,000 over bank borrowings (2006: HK$11,395,000).

The gearing ratio (defined as total liabilities over the total assets) of the Group as at 31st December, 2007 was approximately 37.09% (2006: 43.59%).

The Group generally finances its business with internally generated cash flows and revolving credit facilities provided by the Group's principal bankers. With net current assets of approximately HK$101,220,000, the management believes that the Group has sufficient financial resources to discharge its debts and to finance its daily operations and capital expenditure.

Employees and remuneration

The approximate number of employees of the Group as at 31st December, 2007 and 31st December, 2006 were 2,700 and 4,500 respectively with a seasonal high figure of more than 3,600 during the third quarter of 2007. Fewer than 100 staff are stationed in Hong Kong and the rest are PRC workers.

Employees are remunerated according to the nature of the job and market trends, with a built-in merit component incorporated in the annual increment and a year-end performance bonus to reward and motivate individual performance. There was no share option granted to any employee during the year.

For the year ended 31 December 2006

Geographical Market

The Group's turnover in the year ended 31 December 2006 decreased by 4.38% to approximately HK$714,731,000 compared to the corresponding period in 2005 of approximately HK$747,483,000. The dominant markets in Europe constituted 56.53% of the turnover amounting to approximately HK$404,056,000 (2005: 64.05% amounting to HK$478,751,000). North American sales, as a percentage of turnover increased by 7.42% to 32.61% amounting to approximately HK$233,107,000 (2005: 25.19% amounting to HK$188,270,000). South American sales slightly increased to 0.53% amounting to approximately HK$3,810,000 (2005: 0.47% amounting to HK$3,492,000). Sales in other markets increased to the amount of approximately HK$36,819,000 (2005: HK$33,814,000). Product sales in the Hong Kong market constituted 5.17% of the turnover amounting to approximately HK$36,937,000 (2005: 5.77% amounting to HK$43,153,000).

Gross Profit

The Group's gross profit margin was 9.69% (2005: 9.68%), an increase of one basis point from 2005. Management continues to work on margin improvement, mainly by offering meaningfully differentiated and high value-added products and reducing cost of goods through better sources and cost control.

Product Categories

Sales of the major products out of the Group's turnover in 2006 were 25.65% for paper products (2005: 33.92%), 31.93% for wooden products (2005: 26.74%) and 42.42% for household items, home textiles products and tablemats (2005: 39.34%).

Finance Costs

Interest expenses increased by 9.8% to approximately HK$5,793,000 in 2006 (2005: HK$5,276,000) as a result of increasing interest rates on bank borrowings during the year.

Charges over assets

Save for a bank deposit of approximately HK$2.8 million (2005: HK$2.7 million), no other property, plant and equipment with any carrying value is pledged to banks to secure banking facilities granted to subsidiaries.

Exposure to fluctuations in exchange rates and related hedges

All transactions of the Group are denominated in Hong Kong dollars, United States dollars and Renminbi. Transactions in foreign currency are translated at the rates prevailing on the dates of the transactions or at the contracted settlement rate.

The exchange rates between these currencies were stable during the year under review, save in respect of the gradual appreciation of Renminbi against US dollars and Hong Kong dollars. No hedging for foreign exchange was used given the Group's exposure to currency fluctuation was still relatively limited.

Liquidity and financial resources

Net current assets and current ratio were approximately HK$80,311,000 and 1.46:1 as at 31 December 2005 and approximately HK$88,770,000 and 1.53:1 as at 31 December 2006. The increase in net current assets is largely due to a decrease in bank borrowings. Raw material, work-in-progress and finished goods increased by 0.88% to approximately HK$67,563,000 (2005: HK$66,976,000).

As at 31 December 2006, the Group's bank balance and cash amounted to approximately HK$81,424,000 (2005: HK$105,061,000) and bank borrowings amounted to approximately HK$70,028,000 (2005: HK$82,316,000). Therefore, the calculation of net debt to equity ratio was not applicable because the Group had surplus cash of approximately HK$11,396,000 over bank borrowings (2005: HK$22,745,000).

The gearing ratio (defined as total liabilities over the total assets) of the Group as at 31 December 2006 was approximately 43.59% (2005: 42.44%).

The Group generally finances its business with internally generated cash flows and revolving credit facilities provided by the Group's principal bankers. With net current assets of approximately HK$88,770,000, the management believes that the Group has sufficient financial resources to discharge its debts and to finance its daily operations and capital expenditure.

Employees and remuneration

The approximate number of employees of the Group as at 31 December 2006 and 31 December 2005 were 4,500 and 4,800 respectively with a seasonal high figure of more than 4,800 during the third quarter of 2006. Fewer than 100 staff are stationed in Hong Kong and the rest are PRC workers.

Employees are remunerated according to the nature of the job and market trends, with a built-in merit component incorporated in the annual increment and a year-end performance bonus to reward and motivate individual performance. There was no share option granted to any employee during the year.

The following is the text of a report, prepared for the purpose of incorporation in this circular, received from the independent reporting accountants, HLB Hodgson Impey Cheng, Chartered Accountants, Certified Public Accountants, Hong Kong.

HLB 國衛會計師事務所
Hodgson Impey Cheng
Chartered Accountants
Certified Public Accountants

31st Floor
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11 Pedder Street
Central
Hong Kong

29 January 2010

The Board of Directors
Huscoke Resources Holdings Limited
Room 4205, 42th Floor
Far East Finance Center
16 Harcourt Road
Admiralty
HONG KONG

Dear Sirs,

We set out below our report on the financial information (the "Financial Information") regarding the Acquired Coke Processing Assets (as defined herein) for each of the three years ended 31 December 2006, 2007 and 2008 and the periods ended 30 September 2008 and 2009 (the "Relevant Periods") prepared on the basis set out in Section 1 below, for inclusion in the circular of Huscoke Resources Holdings Limited (the "Company") dated 29 January 2010 (the "Circular") in relation to the acquisition of coke processing assets (the "Acquired Coke Processing Assets"), pursuant to a conditional sale and purchase agreement (the "Acquisition Agreement") entered into between 山西金岩和嘉能源有限公司 (GRG Huscoke (Shan Xi) Ltd.) (the "Purchaser"), the Company hold 90% of equity interest in the Purchaser, and 孝義市金岩電力煤化工有限公司 (Xiaoyi City Golden Rock Electricity Coal Chemical Company Limited) (the "Vendor") on 10 December 2009 (the "Acquisition"). Particulars of the Acquired Coke Processing Assets are set out in Section 3 below.

The Financial Information of the Acquired Coke Processing Assets has been prepared based on the management accounts of the Vendor, which have adopted 31 December as their financial year end date. The Vendor maintained their books and records in accordance with the relevant accounting principles and financial regulations applicable to the PRC enterprises ("PRC GAAP").

For the purpose of the Acquisition, the directors of the Vendor have prepared the Financial Information of the Acquired Coke Processing Assets in accordance with accounting policies which are in compliance with HK GAAP (as defined in Section 2 below) for the Relevant Periods. The accounting policies adopted in the preparation of the Financial Information of the Acquired Coke Processing Assets is the same as those used in the consolidated financial statements of the Company and its subsidiaries, where applicable.

For the purpose of this report, we have reviewed the Financial Information in accordance with the relevant requirements of Hong Kong Standard on Review Engagements 2400 "Engagements to Review Financial Statements" issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"). This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Financial Information is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have agreed the Financial Information to the underlying books and records. In the opinion of the Directors, the Financial Information has been properly compiled and derived from the underlying books and records of the Acquired Coke Processing Assets. We have not performed an audit and, accordingly, we do not express an audit opinion.

The Directors of the Company are responsible for the preparation of the Financial Information. It is our responsibility to review the Financial Information and to report our review conclusion to you.

Based on our review, nothing has come to our attention that causes us to believe that the Financial Information is not properly prepared, in all material respects, in accordance with the basis of presentation as set out in Section 1.

1. BASIS OF PRESENTATION

Pursuant to the Acquisition Agreement, the Acquired Coke Processing Assets comprised of plant and machineries for the production of coke and the coal-processing chemical by-products. The Acquired Coke Processing Assets are currently owned by the Vendor.

The Financial Information of the Acquired Coke Processing Assets is prepared based on the management accounts of the Vendor on a continuing basis as if the Acquired Coke Processing Assets have been under the same ownership with effect from 1 January 2006.

For the purpose of inclusion in the Financial Information, the financial information on the operating results of the Acquired Coke Processing Assets has been extracted from the management accounts of the Vendor. The Financial Information only includes income and expenses which are directly attributable to the operation of the Acquired Coke Processing Assets, such as sales of products and operating costs for the Acquired Coke Processing Assets. Indirect income and expenses such as general and administrative expenses, finance costs for working capital and non-operating income and expenses, have not been included. Income tax has not been included as it is calculated and levied on an entity level. The Financial Information of the Acquired Coke Processing Assets has been adjusted to comply with the accounting policies as disclosed in Section 2 which are in compliance with HK GAAP.

The Financial Information does not necessarily reflect the results of operations of the Acquired Coke Processing Assets that would have been recorded had they been operated under a stand-alone entity during the Relevant Periods because they have historically been operated by the Vendor and indirect income and expenses and income tax have not been considered.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

The Financial Information of the Acquired Coke Processing Assets has been prepared in accordance with accounting policies which are in compliance with accounting principles generally accepted in Hong Kong ("HK GAAP"). The Financial Information has been prepared under the historical cost convention.

Coke Processing Assets

Coke Processing Assets are stated at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is provided to write off the cost of the Coke Processing Assets over their estimated useful lives and after taking into account of their estimated residual value, using the straight line method.

An item of Coke Processing Assets is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the income statement in the year/period in which the item is derecognised.

Impairment

At each end of the reporting period, the directors review, the carrying amounts of the plant and machineries to determine whether there is any indication that those assets have suffered an impairment loss. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately, unless the relevant asset is carried at a revalues amount under another standard, in which case the impairment loss is treated as a revaluation decrease under that standard.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, such that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income immediately, unless the relevant asset is carried at a revalued amount under another standard, in which case the impairment loss is treated as a revaluation increase under that standard.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods sold and services provided in the normal course of business, net of discounts. Sale of goods are recognized when goods are delivered and title has passed.

Foreign currencies

In preparing the Financial Information of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recorded in the respective functional currency (i.e. the currency of the primary economic environment in which the entity operates) at the rates of exchanges prevailing on the dates of the transactions. At each end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing on the end of the reporting period. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are recognised in the statement of comprehensive income in the period in which they arise. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in statement of comprehensive income for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in equity, in which case, the exchange differences are also recognised directly in equity.

Provisions

Provisions are recognised when a present legal or constructive obligation has arisen as a result of past events, and it is probable that an outflow of resources will be required to settle the obligations, and a reliable estimate of the amount of the obligation can be made. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the amount of a provision is the present value of the expenditures expected to be required to settle the obligations.

Key sources of estimation uncertainty

In the process of applying the accounting policies, management is required to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only the period, or in the period of the revision and future periods if the revision affects both current and future periods.

(a) Impairment of assets

Impairment tests are carried out annually to determine whether the assets have suffered any impairment. The recoverable amount of an asset or a cash generating unit is determining based on value-in-use calculations which require the use of assumptions and estimates.

(b) Useful lives of the Acquired Coke Processing Assets

The useful lives of the Acquired Coke Processing Assets are estimated in order to determine the amount of depreciation expenses to be recorded. The useful lives are estimated at the time the asset is acquired based on historical experience, the expected usage, wear and tear of the assets, as well as technical obsolescence arising from changes in the market demands or service output of the assets. Annual reviews on whether the assumptions made on useful lives continue to be valid are performed.

3. PARTICULARS OF THE ACQUIRED COKE PROCESSING ASSETS

Particulars of the Acquired Coke Processing Assets are as follows:

Particulars of Acquired Plants	**Structure**	**Area(m^2)**
Coal preparation room	Frame	30
Transformer substation	Frame	602
Crusher room	Frame	535.7
Compression plant, transformer substation	Frame	323.8
Fan room	Frame	105
Pump room	Frame	102.27
Trench pump room	Frame	249.51
Power supply room	Frame	257.46
Aerator room	Frame	541.91
Circulating pump room (power supply room)	Frame	440.78
Ammonia sulphate depot	Frame	1,301.36
High-voltage power supply room, transformer substation	Frame	928
Boiler room	Frame	1,071.75
Small emission room	Frame	52.17

Particulars of Acquired Plants	Structure	Area(m^2)
Chiller plant	Frame	404.6
Complex building	Frame	967.22
Pump room	Frame	401.5
GAS station office building	Frame	521
GAS station power supply room	Frame	261
GAS station fire pump room	Frame	142
GAS station compressor plant	Frame	333
GAS station control room	Frame	84
GAS station oil pump room No. 1	Frame	28
GAS station oil pump room No. 2	Frame	28
GAS station valve	Frame	25
Single apartment	—	3,910.95
Large restaurant	—	752.95
Small restaurant	—	400.81
Bathroom	—	366.25
Pump room	—	45.76
User station	—	133.3
Front door	—	88.17
Power supply room	—	122.23
Laboratory building	—	1,190.2
Storeroom No. 1	—	348.3
Storeroom No. 2	—	632.2
Machine repair workshop	—	760.9
Guest building	—	1,298
Coal receiving pit	Building structure	926.1
Coal belt conveyor corridor No. 1, 2, 3, 4	Building structure	302
Coal transfer station No. 2	Building structure	—
Coal transfer station No. 3	Building structure	—
Coal corridor No. 4	Building structure	—
Wall fence of plant	Building structure	400
Pipe support of coal preparation system	Building structure	—
Retaining wall of coal preparation system	Building structure	—
Coke transfer station No. 3	Building structure	—
Coke conveyor corridor No. 3	Building structure	72
Coke conveyor corridor No. 4	Building structure	110
Coke transfer station No. 1	Building structure	—

Particulars of Acquired Plants	Structure	Area(m^2)
Coke transfer station No. 2	Building structure	—
Coke conveyor corridor No. 2	Building structure	34
Coke cooling wharf	Building structure	—
Sub flue No. 1	Building structure	—
Sub flue No. 2	Building structure	—
Chimney	Building structure	75
Quenching tower	Building structure	—
Settling tank	Building structure	1,050
Coal tower	Building structure	—
Tracks for coke barrier vehicles	Building structure	—
Tracks for coal loaders	Building structure	—
Unloading trestle for washed coal storage plant	Building structure	—
Support of trestle from main plant to washed coal storage plant	Building structure	—
South wall fence of coke carbonization plant	Building structure	256
Tamping coke furnace dust removal ground station	Whole structure	—
Storage cave	Building structure	7 holes
Concrete underground pipe screen (valve well)	Building structure	—
Feeding pipe, trench	Pipe installation	—
Coke furnace No. 1	Building structure	TNDK-99
Coke furnace No. 2	Building structure	TNDK-100
Settling tank	Building structure	2,000m^3
Plant formation and road hardening	Building structure	110,000
Plant forestation	—	40,000
Well-oxygenated tank, poor-oxygenated tank	Building structure	3,548m^3
Coagulated settling tank	Building structure	251.2m^3
Sludge tank No. 1, No. 2	Building structure	40m^3
Sludge tank No. 3	Building structure	40m^3
Deposit tank No. 1, No. 2	Building structure	931.28m^3
Regulating tank	Building structure	480m^3
Oil-removing tank	Building structure	325.36
Front gate of coke carbonization plant	Building structure	—
Mix response tank	Building structure	48m^3
Sludge tank No. 4	Building structure	40m^3
Sludge concentration tank	Building structure	98.91m^3
Water tank No. 1	Building structure	40m^3

Particulars of Acquired Plants	Structure	Area(m^2)
Water tank No. 2	Building structure	90
Water tank No. 3	Building structure	81
Unloader platform	Building structure	—
GAS station fire pool	Building structure	1,596
GAS station forestation	—	—
Outdoor heating works	—	—
Outdoor water feeder	—	—
Wall fence	—	—
Outdoor water pipe system	—	—
Office zone fountain and rockery	—	—
Office zone ground hardening works	—	—
Street lamps for 金岩路 (Jun Yan Road)	—	—
Gardening works for west garden of 金岩公司 (Golden Rock Company)	—	—
Vegetable greenhouse	—	—
Basketball court in the accommodation area of 金岩公司 (Golden Rock Company)	—	—
Automatic doors in the accommodation area	—	—
金岩 (Golden Rock) cable television system	—	—
12M street lamps	—	—
Forestation in the accommodation area	—	—

Particulars of the Acquired Motor Vehicles	Model Number	Manufacturer	Quantity
晉(Jin) JBV501	奇瑞(Qi Rui) SQR7160T11	安徽(Anhui)	1
晉(Jin) JBV502	奇瑞(Qi Rui) SQR7160T12	安徽(Anhui)	1
晉(Jin) JBV503	奇瑞(Qi Rui) SQR7160T13	安徽(Anhui)	1
晉(Jin) JBV509	奇瑞(Qi Rui) SQR7160T14	安徽(Anhui)	1
晉(Jin) JBV601	奇瑞(Qi Rui) SQR7160T15	安徽(Anhui)	1
晉(Jin) JBV609	奇瑞(Qi Rui) SQR7160T17	安徽(Anhui)	1
晉(Jin) JBQ501	奇瑞(Qi Rui) SQR7160T18	安徽(Anhui)	1
晉(Jin) JBQ502	奇瑞(Qi Rui) SQR7160T19	安徽(Anhui)	1
晉(Jin) JBQ503	奇瑞(Qi Rui) SQR7160T20	安徽(Anhui)	1
晉(Jin) JBQ602	奇瑞(Qi Rui) SQR7160T21	安徽(Anhui)	1
晉(Jin) JBQ603	奇瑞(Qi Rui) SQR7160T22	安徽(Anhui)	1
Self unloading truck	CA3257K2T1	—	5

Particulars of the Acquired Machineries	Model Number	Manufacturer	Quantity
No. 5 coal belt conveyor	Width 800mm x 6 ply standard	—	60
Feeder chute	Welding pieces	—	1
Permanent magnet (永磁) super iron remover	RCY-L120	撫順凱宇機電設備有限公司 (Fushun Kaiyu Electronics & Machinery Equipment Co., Ltd)	1
No. 3 washed coal crusher	PFCK1212	揚州明泰機械有限公司 (Yangzhou Mingtai Machinery Co. Ltd)	1
Hydraulic coupler	—	揚州明泰機械有限公司 (Yangzhou Mingtai Machinery Co. Ltd)	1
High voltage electric motor	280kw	揚州明泰機械有限公司 (Yangzhou Mingtai Machinery Co. Ltd)	1
No. 6 coal belt conveyor	Width 800mm x 6 ply standard	—	72
Electric belt weigher (with feeder system)	ICS-XF	山西萬立科技有限公司 (Shanxi Wan Li Technology Co. Ltd)	5
Belt mount for belt weigher	DY-II	—	5
Feeder chute	Welding pieces	—	5
Disk-type dry electro-magnetic iron-remover	RCSB-10	濰坊泉鑫電磁設備有限公司 (Wei Fang Quanxin Electric-Magnetic Equipment Co., Ltd)	1
No. 1 coal belt conveyor	Width 1000mm x 6 ply standard	台州市恒力橡膠有限公司 (Taizhou Henghi Plastic & Rubber Co., Ltd)	252.5

Particulars of the Acquired Machineries	Model Number	Manufacturer	Quantity
No. 2 coal belt conveyor	Width 1000mm x 6 ply standard	山西萬立科技有限公司 (Shanxi Wan Li Technology Co. Ltd)	165
No. 1/No. 2 washed coal crusher	PFCH-1216	洛陽天信礦山機械製造有限公司(Luoyang Tian Xin Mining Machinery Manufacturing Co., Ltd.)	2
PF216 crusher hydraulic coupler	—	洛陽天信礦山機械製造有限公司 (Luoyang Tian Xin Mining Machinery Manufacturing Co., Ltd.)	—
High voltage electric motor	Y4506-6 450kw	—	2
Crusher	PFCK1616	揚州明泰機械有限公司 (Yangzhou Mingtai Machinery Co. Ltd)	2
No. 3 coal belt conveyor	Width 1000mm x 6 ply standard	山西萬立科技有限公司 (Shanxi Wan Li Technology Co. Ltd)	258
No. 4 coal belt conveyor	Width 1000mm x 6 ply standard	—	130
Motor block	ZQ151-4 13kw	—	2
Swing feeder	Y132M2 5.5kw	—	18
Shake coal system	—	—	1
Eight-hammer tamper	JC/D43-1	大連精誠機電開發有限公司 (Dalian Jingcheng Electrics Machinery Development Co., Ltd)	4
Six-hammer tamper	—	咸陽四環工業裝備有限公司 (Xianyang Sihuan Industrial Equipment Co. Ltd.)	4
Coal loading and pushing truck (with tracks)	QU120軌(Gui)	大連精誠機電開發有限公司 (Dalian Jingcheng Electrics Machinery Development Co., Ltd)	1

Particulars of the Acquired Machineries	Model Number	Manufacturer	Quantity
Coal loading and pushing truck	—	大連精誠機電開發有限公司 (Dalian Jingcheng Electrics Machinery Development Co., Ltd)	1
Coal loading and pushing truck	—	大連精誠機電開發有限公司 (Dalian Jingcheng Electrics Machinery Development Co., Ltd)	1
Ammonia water pipe for coke furnace	—	—	100
Compressed air pipe for coke furnace	—	—	100
Steam pipe for coke furnace	—	—	100
Returning gas pipe for coke furnace	—	—	95
Production water pipeline for coke furnace	—	—	70
Fire water pipeline for coke furnace	—	—	60
DCS system	—	—	1
Hydraulic exchanger	DLZ-000	榆次方盛液壓機電設備有限公司 (Yuci Fangsheng Hydraulic Equipment Co. Ltd)	2
Coke barrier vehicle	—	大連精誠機電開發有限公司 (Dalian Jingcheng Electrics Machinery Development Co., Ltd)	1
Smoke guiding truck	—	大連精誠機電開發有限公司 (Dalian Jingcheng Electrics Machinery Development Co., Ltd)	1

Particulars of the Acquired Machineries	Model Number	Manufacturer	Quantity
Smoke and dust removal truck	—	大連精誠機電開發有限公司 (Dalian Jingcheng Electrics Machinery Development Co., Ltd)	1
Coke quenching vehicle	JC401	大連精誠機電開發有限公司 (Dalian Jingcheng Electrics Machinery Development Co., Ltd)	1
Coke quenching vehicle	JC401	大連精誠機電開發有限公司 (Dalian Jingcheng Electrics Machinery Development Co., Ltd)	1
Motor vehicle	—	大連精誠機電開發有限公司 (Dalian Jingcheng Electrics Machinery Development Co., Ltd)	1
ZSZS-type centrifugal water pump	ZS100-65-250	—	1
Coke quenching vehicle	14SH-19	—	2
Submersible pump	WQ15-25	—	1
Coal powder tub elevation and operation	ZD141-4 0.5kw	—	2
Crane grab	D212 0.5 Cube	河南省鄉市礦山起重有限公司 (Henan Xiang City Mining Lifting Equipment Co., Ltd)	1
Production water pipeline for preparation screen	—	—	170
Steam pipeline for preparation screen	—	—	640
No. 1 coke belt conveyor	Width 1000mm x 6 ply heat-resistant	—	144
Submersible pump	WQ15-25	—	2

Particulars of the Acquired Machineries	Model Number	Manufacturer	Quantity
No. 2 coke belt conveyor	Width 1000mm* x 6 ply heat-resistant	—	85
No. 3 coke belt conveyor	Width 1000mm* x 6 ply heat-resistant	—	156
No. 4 coke belt conveyor	Width 1000mm* x 6 ply heat-resistant	—	236
No. 4 coke powder receiving tub	Welding pieces	—	1
Mechanical block bridge-type crane	LH lifting capacity: 40 tons	河南省長城起重設備有限公司 (Henan Changcheng Lifting Equipment Co., Ltd.)	4
Loader	廈裝(Sha Zhuang) ZL-50 656	—	5
Loader	常林(Chang Lin) ZL-50	—	3
Loader	龍泰(Long Tai) ZL-50	—	1
Loader	廈工(Sha Gong) ZL-50	—	2
Agricultural vehicle	南駿(Nan Jun) 2100	—	1
Agricultural vehicle	SF160T	—	1
Transformer	S9-630110	中國華通機電集團有限公司 (China Huatong Electrics & Machinery Group Co. Ltd.)	1
Electric contact voltage controller		中國華通機電集團有限公司 (China Huatong Electrics & Machinery Group Co. Ltd.)	1
Incoming unit	GCS-02-1A	中國華通機電集團有限公司 (China Huatong Electrics & Machinery Group Co. Ltd.)	1

Particulars of the Acquired Machineries	Model Number	Manufacturer	Quantity
Conductor unit	GCS-34-2A	中國華通機電集團有限公司 (China Huatong Electrics & Machinery Group Co. Ltd.)	1
Outgoing unit	GCS-11-3A	中國華通機電集團有限公司 (China Huatong Electrics & Machinery Group Co. Ltd.)	1
Outgoing unit	GCS-11-4A	中國華通機電集團有限公司 (China Huatong Electrics & Machinery Group Co. Ltd.)	1
Outgoing unit	GCS-11-5A	中國華通機電集團有限公司 (China Huatong Electrics & Machinery Group Co. Ltd.)	1
Connection unit	GCS-11-6A	中國華通機電集團有限公司 (China Huatong Electrics & Machinery Group Co. Ltd.)	1
Low voltage unit	1AD	中國華通機電集團有限公司 (China Huatong Electrics & Machinery Group Co. Ltd.)	1
Low voltage unit	2AD	中國華通機電集團有限公司 (China Huatong Electrics & Machinery Group Co. Ltd.)	1
Low voltage unit	3AD	中國華通機電集團有限公司 (China Huatong Electrics & Machinery Group Co. Ltd.)	1

Particulars of the Acquired Machineries	Model Number	Manufacturer	Quantity
Transducer	SV150IS5-4N	中國華通機電集團有限公司 (China Huatong Electrics & Machinery Group Co. Ltd.)	1
Transducer unit	GGD Control box	北京希望森蘭電氣有限公司 (Beijing Xiwan Sen Lin Electrics Co., Ltd)	1
Self-coupling decompressor starter unit	JJB-30kw	中國華通機電集團有限公司 (China Huatong Electrics & Machinery Group Co. Ltd.)	6
Low voltage switch unit	GGD2/AA5	中國華通機電集團有限公司 (China Huatong Electrics & Machinery Group Co. Ltd.)	6
High lamp	—	—	1
Transformer	SQ-1000KVA	中國華通機電集團有限公司 (China Huatong Electrics & Machinery Group Co. Ltd.)	2
Low voltage switch unit	GGD2/AA1	中國華通機電集團有限公司 (China Huatong Electrics & Machinery Group Co. Ltd.)	1
Low voltage switch unit	GGD2/AA2	中國華通機電集團有限公司 (China Huatong Electrics & Machinery Group Co. Ltd.)	1
Low voltage switch unit	GD2/AA3	中國華通機電集團有限公司 (China Huatong Electrics & Machinery Group Co. Ltd.)	1

Particulars of the Acquired Machineries	Model Number	Manufacturer	Quantity
Low voltage switch unit	GGD2/AA4	中國華通機電集團有限公司 (China Huatong Electrics & Machinery Group Co. Ltd.)	1
Low voltage switch unit	GGD2/AA5	中國華通機電集團有限公司 (China Huatong Electrics & Machinery Group Co. Ltd.)	1
Low voltage switch unit	GGD2/AA6	中國華通機電集團有限公司 (China Huatong Electrics & Machinery Group Co. Ltd.)	1
Low voltage switch unit	GGD2/AA7	中國華通機電集團有限公司 (China Huatong Electrics & Machinery Group Co. Ltd.)	1
Low voltage switch unit	GGD2/AA8	中國華通機電集團有限公司 (China Huatong Electrics & Machinery Group Co. Ltd.)	1
Low voltage switch unit	GGD2/AA10	中國華通機電集團有限公司 (China Huatong Electrics & Machinery Group Co. Ltd.)	1
Low voltage switch unit	GGD2/AA11	中國華通機電集團有限公司 (China Huatong Electrics & Machinery Group Co. Ltd.)	1
Low voltage conductor unit	GGD2/AA12	中國華通機電集團有限公司 (China Huatong Electrics & Machinery Group Co. Ltd.)	1
Low voltage conductor unit	GGD2/AAB	中國華通機電集團有限公司 (China Huatong Electrics & Machinery Group Co. Ltd.)	1

Particulars of the Acquired Machineries	Model Number	Manufacturer	Quantity
Low voltage power supply unit	GGD2-1ALP	中國華通機電集團有限公司 (China Huatong Electrics & Machinery Group Co. Ltd.)	1
Low voltage power supply unit	GGD2-2ALP	中國華通機電集團有限公司 (China Huatong Electrics & Machinery Group Co. Ltd.)	1
Low voltage power supply unit	GGD2-3ALP	中國華通機電集團有限公司 (China Huatong Electrics & Machinery Group Co. Ltd.)	1
Low voltage power supply unit	GGD2-4ALP	中國華通機電集團有限公司 (China Huatong Electrics & Machinery Group Co. Ltd.)	1
Low voltage power supply unit	GGD2-5ALP	中國華通機電集團有限公司 (China Huatong Electrics & Machinery Group Co. Ltd.)	1
Low voltage power supply unit	GGD2-6ALP	中國華通機電集團有限公司 (China Huatong Electrics & Machinery Group Co. Ltd.)	1
Low voltage power supply unit	GGD2-7ALP	中國華通機電集團有限公司 (China Huatong Electrics & Machinery Group Co. Ltd.)	1
Low voltage power supply unit	JT9006	中國華通機電集團有限公司 (China Huatong Electrics & Machinery Group Co. Ltd.)	1
Motor switch box	XL21-C	中國華通機電集團有限公司 (China Huatong Electrics & Machinery Group Co. Ltd.)	3

Particulars of the Acquired Machineries	Model Number	Manufacturer	Quantity
Socket box	P230	中國華通機電集團有限公司 (China Huatong Electrics & Machinery Group Co. Ltd.)	2
Low voltage unit	GGD2-8ALP	中國華通機電集團有限公司 (China Huatong Electrics & Machinery Group Co. Ltd.)	1
Transformer	S+D9-25KVA10/0.4	中國華通機電集團有限公司 (China Huatong Electrics & Machinery Group Co. Ltd.)	2
Low voltage conductor unit	GGD2/AA1	中國華通機電集團有限公司 (China Huatong Electrics & Machinery Group Co. Ltd.)	1
Low voltage conductor unit	GGD2/AA2	中國華通機電集團有限公司 (China Huatong Electrics & Machinery Group Co. Ltd.)	1
Low voltage switch unit	GGD2/AA3	中國華通機電集團有限公司 (China Huatong Electrics & Machinery Group Co. Ltd.)	1
Low voltage switch unit	GGD2/AA4	中國華通機電集團有限公司 (China Huatong Electrics & Machinery Group Co. Ltd.)	1
Low voltage switch unit	GGD2/AA5	中國華通機電集團有限公司 (China Huatong Electrics & Machinery Group Co. Ltd.)	1
Low voltage switch unit	GGD2/AA6	中國華通機電集團有限公司 (China Huatong Electrics & Machinery Group Co. Ltd.)	1

Particulars of the Acquired Machineries	Model Number	Manufacturer	Quantity
Low voltage switch unit	GGD2/AA7	中國華通機電集團有限公司 (China Huatong Electrics & Machinery Group Co. Ltd.)	1
Low voltage switch unit	GGD2/AA8	中國華通機電集團有限公司 (China Huatong Electrics & Machinery Group Co. Ltd.)	1
Low voltage switch unit	GGD2/AA9	中國華通機電集團有限公司 (China Huatong Electrics & Machinery Group Co. Ltd.)	1
Low voltage switch unit	GGD2/AA10	中國華通機電集團有限公司 (China Huatong Electrics & Machinery Group Co. Ltd.)	1
Low voltage switch unit	GGD2/AA11	中國華通機電集團有限公司 (China Huatong Electrics & Machinery Group Co. Ltd.)	1
Low voltage switch unit	GGD2/AA12	中國華通機電集團有限公司 (China Huatong Electrics & Machinery Group Co. Ltd.)	1
Low voltage switch unit	GGD2/AA13	中國華通機電集團有限公司 (China Huatong Electrics & Machinery Group Co. Ltd.)	1
Low voltage switch unit	GGD2/AA14	中國華通機電集團有限公司 (China Huatong Electrics & Machinery Group Co. Ltd.)	1
Soft starter rack	1.32KW	中國華通機電集團有限公司 (China Huatong Electrics & Machinery Group Co. Ltd.)	3

Particulars of the Acquired Machineries	Model Number	Manufacturer	Quantity
Low voltage power supply unit	GGD2-21ALP	中國華通機電集團有限公司 (China Huatong Electrics & Machinery Group Co. Ltd.)	1
Low voltage power supply unit	GGD2-22ALP	中國華通機電集團有限公司 (China Huatong Electrics & Machinery Group Co. Ltd.)	1
Low voltage power supply unit	GGD2-23ALP	中國華通機電集團有限公司 (China Huatong Electrics & Machinery Group Co. Ltd.)	1
Low voltage power supply unit	GGD2-24ALP	中國華通機電集團有限公司 (China Huatong Electrics & Machinery Group Co. Ltd.)	1
Low voltage power supply unit	GGD2-25ALP	中國華通機電集團有限公司 (China Huatong Electrics & Machinery Group Co. Ltd.)	1
Low voltage power supply unit	GGD2-26ALP	中國華通機電集團有限公司山西分公司 (China Huatong Electrics & Machinery Group Co. Ltd Shanxi Branch)	1
Soft starter	QCK-160KW	中國華通機電集團有限公司山西分公司 (China Huatong Electrics & Machinery Group Co. Ltd Shanxi Branch)	2
Control box	JXF3001	中國華通機電集團有限公司山西分公司 (China Huatong Electrics & Machinery Group Co. Ltd Shanxi Branch)	1

Particulars of the Acquired Machineries	Model Number	Manufacturer	Quantity
Low voltage switch unit	GGD2-1AP	中國華通機電集團有限公司山西分公司 (China Huatong Electrics & Machinery Group Co. Ltd Shanxi Branch)	1
Low voltage switch unit	GGD2-2AP	中國華通機電集團有限公司山西分公司 (China Huatong Electrics & Machinery Group Co. Ltd Shanxi Branch)	1
Low voltage switch unit	GGD2-3AP	中國華通機電集團有限公司山西分公司 (China Huatong Electrics & Machinery Group Co. Ltd Shanxi Branch)	1
Low voltage switch unit	GGD2-4AP	中國華通機電集團有限公司山西分公司 (China Huatong Electrics & Machinery Group Co. Ltd Shanxi Branch)	1
Low voltage switch unit	GGD2-5AP	中國華通機電集團有限公司山西分公司 (China Huatong Electrics & Machinery Group Co. Ltd Shanxi Branch)	1
Low voltage switch unit	GGD2-6AP	中國華通機電集團有限公司山西分公司 (China Huatong Electrics & Machinery Group Co. Ltd Shanxi Branch)	1
Low voltage switch unit	GGD2-7AP	中國華通機電集團有限公司山西分公司 (China Huatong Electrics & Machinery Group Co. Ltd Shanxi Branch)	1

Particulars of the Acquired Machineries	Model Number	Manufacturer	Quantity
Low voltage switch unit	GGD2-8AP	中國華通機電集團有限公司山西分公司 (China Huatong Electrics & Machinery Group Co. Ltd Shanxi Branch)	1
Low voltage switch unit	GGD2-9AP	中國華通機電集團有限公司山西分公司 (China Huatong Electrics & Machinery Group Co. Ltd Shanxi Branch)	1
Low voltage switch unit	GGD2-10AP	中國華通機電集團有限公司山西分公司 (China Huatong Electrics & Machinery Group Co. Ltd Shanxi Branch)	1
Low voltage switch unit	GGD2-11AP	中國華通機電集團有限公司山西分公司 (China Huatong Electrics & Machinery Group Co. Ltd Shanxi Branch)	1
Control box	JXF3004	中國華通機電集團有限公司山西分公司 (China Huatong Electrics & Machinery Group Co. Ltd Shanxi Branch)	11
Control box	X-1	中國華通機電集團有限公司山西分公司 (China Huatong Electrics & Machinery Group Co. Ltd Shanxi Branch)	3
Control box	JXF3004	中國華通機電集團有限公司山西分公司 (China Huatong Electrics & Machinery Group Co. Ltd Shanxi Branch)	3

Particulars of the Acquired Machineries	Model Number	Manufacturer	Quantity
Control box	JT9016	中國華通機電集團有限公司山西分公司 (China Huatong Electrics & Machinery Group Co. Ltd Shanxi Branch)	1
Socket box	PZM30-61C8	中國華通機電集團有限公司山西分公司 (China Huatong Electrics & Machinery Group Co. Ltd Shanxi Branch)	1
Soft starter	QCK-160KW	中國華通機電集團有限公司山西分公司 (China Huatong Electrics & Machinery Group Co. Ltd Shanxi Branch)	3
Electrical valve control panel	DFK2P-6-10	中國華通機電集團有限公司山西分公司 (China Huatong Electrics & Machinery Group Co. Ltd Shanxi Branch)	1
Low voltage switch unit	GGD2-1ALP	中國華通機電集團有限公司山西分公司 (China Huatong Electrics & Machinery Group Co. Ltd Shanxi Branch)	1
Low voltage switch unit	GGD2-2ALP	中國華通機電集團有限公司山西分公司 (China Huatong Electrics & Machinery Group Co. Ltd Shanxi Branch)	1
Low voltage switch unit	GGD2-3ALP	中國華通機電集團有限公司山西分公司 (China Huatong Electrics & Machinery Group Co. Ltd Shanxi Branch)	1

Particulars of the Acquired Machineries	Model Number	Manufacturer	Quantity
Low voltage switch unit	GGD2-4ALP	中國華通機電集團有限公司山西分公司 (China Huatong Electrics & Machinery Group Co. Ltd Shanxi Branch)	1
Control platform	JT5008	中國華通機電集團有限公司山西分公司 (China Huatong Electrics & Machinery Group Co. Ltd Shanxi Branch)	1
Control box	JXF3007	中國華通機電集團有限公司山西分公司 (China Huatong Electrics & Machinery Group Co. Ltd Shanxi Branch)	1
Control box	JXF3007	中國華通機電集團有限公司山西分公司 (China Huatong Electrics & Machinery Group Co. Ltd Shanxi Branch)	1
Soft starter unit	132KW	中國華通機電集團有限公司山西分公司 (China Huatong Electrics & Machinery Group Co. Ltd Shanxi Branch)	2
Control unit	XL21-D-S1	中國華通機電集團有限公司山西分公司 (China Huatong Electrics & Machinery Group Co. Ltd Shanxi Branch)	1
Control unit	XL21-D-S2	中國華通機電集團有限公司山西分公司 (China Huatong Electrics & Machinery Group Co. Ltd Shanxi Branch)	1

Particulars of the Acquired Machineries	Model Number	Manufacturer	Quantity
Control unit	XL21-D-S3	中國華通機電集團有限公司山西分公司 (China Huatong Electrics & Machinery Group Co. Ltd Shanxi Branch)	1
Control box	5XF3-3001	中國華通機電集團有限公司山西分公司 (China Huatong Electrics & Machinery Group Co. Ltd Shanxi Branch)	4
1ALP low voltage unit	GGD	中國華通機電集團有限公司山西分公司 (China Huatong Electrics & Machinery Group Co. Ltd Shanxi Branch)	1
2ALP low voltage unit	GGD	中國華通機電集團有限公司山西分公司 (China Huatong Electrics & Machinery Group Co. Ltd Shanxi Branch)	1
3ALP low voltage unit	GGD	中國華通機電集團有限公司山西分公司 (China Huatong Electrics & Machinery Group Co. Ltd Shanxi Branch)	1
4ALP low voltage unit	GGD	中國華通機電集團有限公司山西分公司 (China Huatong Electrics & Machinery Group Co. Ltd Shanxi Branch)	1
5ALP low voltage unit	GGD	中國華通機電集團有限公司山西分公司 (China Huatong Electrics & Machinery Group Co. Ltd Shanxi Branch)	1

Particulars of the Acquired Machineries	Model Number	Manufacturer	Quantity
1ALP low voltage unit	GGD	中國華通機電集團有限公司山西分公司 (China Huatong Electrics & Machinery Group Co. Ltd Shanxi Branch)	1
2ALP low voltage unit	GGD	中國華通機電集團有限公司山西分公司 (China Huatong Electrics & Machinery Group Co. Ltd Shanxi Branch)	1
3ALP low voltage unit	GGD	中國華通機電集團有限公司山西分公司 (China Huatong Electrics & Machinery Group Co. Ltd Shanxi Branch)	1
1ALP low voltage unit	GGD	中國華通機電集團有限公司山西分公司 (China Huatong Electrics & Machinery Group Co. Ltd Shanxi Branch)	1
2ALP low voltage unit	GGD	中國華通機電集團有限公司山西分公司 (China Huatong Electrics & Machinery Group Co. Ltd Shanxi Branch)	1
3ALP low voltage unit	GGD	中國華通機電集團有限公司山西分公司 (China Huatong Electrics & Machinery Group Co. Ltd Shanxi Branch)	1
4ALP low voltage unit	GGD	中國華通機電集團有限公司山西分公司 (China Huatong Electrics & Machinery Group Co. Ltd Shanxi Branch)	1

Particulars of the Acquired Machineries	Model Number	Manufacturer	Quantity
5ALP low voltage unit	GGD	中國華通機電集團有限公司山西分公司 (China Huatong Electrics & Machinery Group Co. Ltd Shanxi Branch)	1
6ALP low voltage unit	GGD	中國華通機電集團有限公司山西分公司 (China Huatong Electrics & Machinery Group Co. Ltd Shanxi Branch)	1
7ALP low voltage unit	GGD	中國華通機電集團有限公司山西分公司 (China Huatong Electrics & Machinery Group Co. Ltd Shanxi Branch)	1
IIAS control box	JXF3002	中國華通機電集團有限公司山西分公司 (China Huatong Electrics & Machinery Group Co. Ltd Shanxi Branch)	1
IAS signal box	JXF3003	中國華通機電集團有限公司山西分公司 (China Huatong Electrics & Machinery Group Co. Ltd Shanxi Branch)	1
Soft starter unit	75KW	—	2
1ALP low voltage unit	GGD	中國華通機電集團有限公司山西分公司 (China Huatong Electrics & Machinery Group Co. Ltd Shanxi Branch)	1
2ALP low voltage unit	GGD	中國華通機電集團有限公司山西分公司 (China Huatong Electrics & Machinery Group Co. Ltd Shanxi Branch)	1

Particulars of the Acquired Machineries	Model Number	Manufacturer	Quantity
3ALP low voltage unit	GGD	中國華通機電集團有限公司山西分公司 (China Huatong Electrics & Machinery Group Co. Ltd Shanxi Branch)	1
1ACC control box	JXF3002	中國華通機電集團有限公司山西分公司 (China Huatong Electrics & Machinery Group Co. Ltd Shanxi Branch)	2
Soft starter	55KW	中國華通機電集團有限公司山西分公司 (China Huatong Electrics & Machinery Group Co. Ltd Shanxi Branch)	2
Motor unit 1APC	XL-31-08	中國華通機電集團有限公司山西分公司 (China Huatong Electrics & Machinery Group Co. Ltd Shanxi Branch)	1
Motor unit 2APC	XL-31-08	中國華通機電集團有限公司山西分公司 (China Huatong Electrics & Machinery Group Co. Ltd Shanxi Branch)	1
Control box	JXF3030	中國華通機電集團有限公司山西分公司 (China Huatong Electrics & Machinery Group Co. Ltd Shanxi Branch)	1
Soft starter	55KW	中國華通機電集團有限公司山西分公司 (China Huatong Electrics & Machinery Group Co. Ltd Shanxi Branch)	3
Control box 1ALP	GGD	—	1
Control box 2ALP	GGD	—	1

Particulars of the Acquired Machineries	Model Number	Manufacturer	Quantity
Motor box	800-800-500	中國華通機電集團有限公司山西分公司 (China Huatong Electrics & Machinery Group Co. Ltd Shanxi Branch)	3
Control box	—	中國華通機電集團有限公司山西分公司 (China Huatong Electrics & Machinery Group Co. Ltd Shanxi Branch)	2
Self-coupling decompressor starter unit	JJB-132KW	中國華通機電集團有限公司山西分公司 (China Huatong Electrics & Machinery Group Co. Ltd Shanxi Branch)	1
Self-coupling decompressor starter unit	JJB-30KW	—	4
Low voltage power supply unit	WS1-11 GGD.HLS	—	1
Low voltage power supply unit	WS2-11 GGD.HLS	—	6
Low voltage power supply unit	WS8-11 GGD.HLS	—	1
Low voltage motor unit	XL-21-C/AP1	—	1
Low voltage motor unit	XL-21-C/AP2	—	1
Low voltage motor unit	XL-21-C/AP3	—	1
Anti-oxygen motor unit	—	—	1
Motor box	XL-30-08	中國華通機電集團有限公司山西分公司 (China Huatong Electrics & Machinery Group Co. Ltd Shanxi Branch)	1

Particulars of the Acquired Machineries	Model Number	Manufacturer	Quantity
High voltage switch unit	KYN28A-12-25 20AA	中國華通機電集團有限公司 (China Huatong Electrics & Machinery Group Co. Ltd.)	1
Soft starter	QCK-90KW	中國華通機電集團有限公司 (China Huatong Electrics & Machinery Group Co. Ltd.)	3
High voltage switch unit	KYN28A-12-25	中國華通機電集團有限公司 (China Huatong Electrics & Machinery Group Co. Ltd.)	2
High voltage switch unit	KYN28A-12-25	中國華通機電集團有限公司 (China Huatong Electrics & Machinery Group Co. Ltd.)	29
High voltage switch unit	KYN28A-12-25	中國華通機電集團有限公司 (China Huatong Electrics & Machinery Group Co. Ltd.)	3
High voltage switch unit	KYN28A-12-25	中國華通機電集團有限公司 (China Huatong Electrics & Machinery Group Co. Ltd.)	1
Parent bridge for high voltage unit	10KV	中國華通機電集團有限公司 (China Huatong Electrics & Machinery Group Co. Ltd.)	12.6
High voltage conductor unit	GR-1-01	中國華通機電集團有限公司 (China Huatong Electrics & Machinery Group Co. Ltd.)	2
Micro surveillance protection system	—	中國華通機電集團有限公司 (China Huatong Electrics & Machinery Group Co. Ltd.)	1

Particulars of the Acquired Machineries	Model Number	Manufacturer	Quantity
Low current earth socket select panel	PK-10	中國華通機電集團有限公司 (China Huatong Electrics & Machinery Group Co. Ltd.)	1
Semi-station panel	—	中國華通機電集團有限公司 (China Huatong Electrics & Machinery Group Co. Ltd.)	1
Direct current panel	—	中國華通機電集團有限公司 (China Huatong Electrics & Machinery Group Co. Ltd.)	1
High voltage control box	—	中國華通機電集團有限公司 (China Huatong Electrics & Machinery Group Co. Ltd.)	10
Frequency reducer	—	中國華通機電集團有限公司山西分公司 (China Huatong Electrics & Machinery Group Co. Ltd Shanxi Branch)	2
High voltage individual switch	—	—	6
Transformer	SQ-1250KVA	—	2
Low voltage switch unit	GGD2/AA1	—	1
Low voltage switch unit	GGD2/AA2	—	1
Low voltage switch unit	GGD2/AA3	—	1
Low voltage switch unit	GGD2/AA4	—	1
Low voltage switch unit	GGD2/AA5	—	1
Low voltage switch unit	GGD2/AA6	—	1
Low voltage switch unit	GGD2/AA7	—	1
Low voltage switch unit	GGD2/AA8	—	1
Low voltage switch unit	GGD2/AA10	—	1
Low voltage switch unit	GGD2/AA11	—	1
Low voltage switch unit	GGD2/AA12	—	1
Low voltage conductor unit	GGD2/AA13	—	1
Low voltage conductor unit	GGD2/AA14	—	1

Particulars of the Acquired Machineries	Model Number	Manufacturer	Quantity
Individual switch	GN19-10/400	中國華通機電集團有限公司山西分公司 (China Huatong Electrics & Machinery Group Co. Ltd Shanxi Branch)	6
Non-gate current controller	LQG-0.5600/5	中國華通機電集團有限公司山西分公司 (China Huatong Electrics & Machinery Group Co. Ltd Shanxi Branch)	6
Low voltage unit	GGS2-1ALP	中國華通機電集團有限公司山西分公司 (China Huatong Electrics & Machinery Group Co. Ltd Shanxi Branch)	1
Low voltage unit	GGS2-2ALP	中國華通機電集團有限公司山西分公司 (China Huatong Electrics & Machinery Group Co. Ltd Shanxi Branch)	1
Low voltage unit	GGS2-3ALP	中國華通機電集團有限公司山西分公司 (China Huatong Electrics & Machinery Group Co. Ltd Shanxi Branch)	1
Low voltage unit	GGS2-4ALP	中國華通機電集團有限公司山西分公司 (China Huatong Electrics & Machinery Group Co. Ltd Shanxi Branch)	1
Low voltage unit	GGS2-5ALP	中國華通機電集團有限公司山西分公司 (China Huatong Electrics & Machinery Group Co. Ltd Shanxi Branch)	1

Particulars of the Acquired Machineries	Model Number	Manufacturer	Quantity
Low voltage unit	GGS2-6ALP	中國華通機電集團有限公司山西分公司 (China Huatong Electrics & Machinery Group Co. Ltd Shanxi Branch)	1
Low voltage unit	GGS2-7ALP	中國華通機電集團有限公司山西分公司 (China Huatong Electrics & Machinery Group Co. Ltd Shanxi Branch)	1
Low voltage unit	GGS2-8ALP	中國華通機電集團有限公司山西分公司 (China Huatong Electrics & Machinery Group Co. Ltd Shanxi Branch)	1
Low voltage unit	GGS2-9ALP	中國華通機電集團有限公司山西分公司 (China Huatong Electrics & Machinery Group Co. Ltd Shanxi Branch)	1
Low voltage unit	GGS2-11ALP	中國華通機電集團有限公司山西分公司 (China Huatong Electrics & Machinery Group Co. Ltd Shanxi Branch)	1
Motor power supply box	XL-2-07/11APC	中國華通機電集團有限公司山西分公司 (China Huatong Electrics & Machinery Group Co. Ltd Shanxi Branch)	1
Motor power supply box	XL-21-07-12APC	中國華通機電集團有限公司山西分公司 (China Huatong Electrics & Machinery Group Co. Ltd Shanxi Branch)	1

Particulars of the Acquired Machineries	Model Number	Manufacturer	Quantity
Motor power supply box	XL-21-08	中國華通機電集團有限公司山西分公司 (China Huatong Electrics & Machinery Group Co. Ltd Shanxi Branch)	1
Control box	JXF3003	中國華通機電集團有限公司山西分公司 (China Huatong Electrics & Machinery Group Co. Ltd Shanxi Branch)	4
Control box	JXF3001	中國華通機電集團有限公司山西分公司 (China Huatong Electrics & Machinery Group Co. Ltd Shanxi Branch)	2
4 large motor switch box	—	中國華通機電集團有限公司山西分公司 (China Huatong Electrics & Machinery Group Co. Ltd Shanxi Branch)	14
Control unit	GGD1-M1	中國華通機電集團有限公司山西分公司 (China Huatong Electrics & Machinery Group Co. Ltd Shanxi Branch)	2
Control unit	GGD1-D-M2	中國華通機電集團有限公司山西分公司 (China Huatong Electrics & Machinery Group Co. Ltd Shanxi Branch)	1
Control box	JXF2-3001	中國華通機電集團有限公司山西分公司 (China Huatong Electrics & Machinery Group Co. Ltd Shanxi Branch)	7

Particulars of the Acquired Machineries	Model Number	Manufacturer	Quantity
Control box	JXF3-3001	中國華通機電集團有限公司山西分公司 (China Huatong Electrics & Machinery Group Co. Ltd Shanxi Branch)	6
Control platform	D-M2	中國華通機電集團有限公司山西分公司 (China Huatong Electrics & Machinery Group Co. Ltd Shanxi Branch)	1
Coke Oven Auto-control system	800*600*2100	浙江中控技術股份有限公司 (Zhejiang Zhongkong Technology (Holdings) Co. Ltd)	1
Coke-oven Gas Main Pipe measurement System	MN2000-V15712HB1AC7D/5C2/5C4/5A3/B3/395/376/205/22C 0-6KPa	太原市威爾泰自動化儀錶有限公司 (Taiyuan Weiertai Auto Measuring Instrument Co. Ltd.)	2
Chemical Products Control system	DELLP1130/21#	浙江中控技術股份有限公司 (Zhejiang Zhongkong Technology (Holdings) Co. Ltd)	1
Operating Table	SP071/FW071/0S071	—	9
Printer Station	SP071P	—	1
Chassis	—	—	9
Cabinet	—	—	9
Microcomputer Electronic	ICS-XFC	太原萬立科技有限公司 (Shanxi Wan Li Belt Weigher Technology Co. Ltd)	5
Transformer Tank	FRENIC5000G11S	日本富士有限公司 (Fuji Co. Ltd.)	5
Ammonia-sulfur Measurement Control System	—	—	—

Particulars of the Acquired Machineries	Model Number	Manufacturer	Quantity
Master Box	—	—	1
Weighing Sensor	—	山西萬立科技有限公司 (Shanxi Wan Li Technology Co. Ltd)	5
Velocity Sensor	—	山西萬立科技有限公司 (Shanxi Wan Li Technology Co. Ltd)	5
Automatic Electric Meter	—	重慶正興偉業儀錶有限公司 (Chongqing Zhenying Weiye Measuring Instrument Co. Ltd.)	1
Autocontrol Outdoor Wiring	—	—	—
Dynamic System Electricity-laying	—	—	—
10KV Switching Station Electricity	—	—	—
Gas Station 1ALP Low-voltage Switch Box	GGD	中國華通機電集團有限公司山西分公司 (China Huatong Electrics & Machinery Group Co. Ltd Shanxi Branch)	1
Gas Station 1ALP Low-voltage Switch Box	GGD	中國華通機電集團有限公司山西分公司 (China Huatong Electrics & Machinery Group Co. Ltd Shanxi Branch)	1
Gas Station 1ALP Low-voltage Switch Box	GGD	有限公司山西分公司中國華通機電集團 (China Huatong Electrics & Machinery Group Co. Ltd Shanxi Branch)	1
Gas Station 1ALP Low-voltage Switch Box	GGD	中國華通機電集團有限公司山西分公司 (China Huatong Electrics & Machinery Group Co. Ltd Shanxi Branch)	1

Particulars of the Acquired Machineries	Model Number	Manufacturer	Quantity
Gas Station 1ALP Low-voltage Switch Box	GGD	中國華通機電集團有限公司山西分公司 (China Huatong Electrics & Machinery Group Co. Ltd Shanxi Branch)	1
Gas Station 1ALP Low-voltage Switch Box	GGD	中國華通機電集團有限公司山西分公司 (China Huatong Electrics & Machinery Group Co. Ltd Shanxi Branch)	1
Gas Station 1ALP Low-voltage Switch Box	GGD	中國華通機電集團有限公司山西分公司 (China Huatong Electrics & Machinery Group Co. Ltd Shanxi Branch)	1
Gas Station 1ALP Low-voltage Switch Box	GGD	中國華通機電集團有限公司山西分公司 (China Huatong Electrics & Machinery Group Co. Ltd Shanxi Branch)	1
Gas Station 1ALP Low-voltage Switch Box	GGD	中國華通機電集團有限公司山西分公司 (China Huatong Electrics & Machinery Group Co. Ltd Shanxi Branch)	1
Gas Station 1ALP Low-voltage Switch Box	GGD	中國華通機電集團有限公司山西分公司 (China Huatong Electrics & Machinery Group Co. Ltd Shanxi Branch)	1
Gas Station 1ALP Low-voltage Switch Box	GGD	中國華通機電集團有限公司山西分公司 (China Huatong Electrics & Machinery Group Co. Ltd Shanxi Branch)	1

Particulars of the Acquired Machineries	Model Number	Manufacturer	Quantity
Gas Station 1ALP Low-voltage Switch Box	GGD	中國華通機電集團有限公司山西分公司 (China Huatong Electrics & Machinery Group Co. Ltd Shanxi Branch)	1
Gas Station 1ALP Low-voltage Switch Box	GGD	中國華通機電集團有限公司山西分公司 (China Huatong Electrics & Machinery Group Co. Ltd Shanxi Branch)	1
Gas Station Transformer	630KVA	—	2
Gas Station Power Network	—	—	—
Gas Station DCS System	—	—	—
Tar Separator	VN=95M3	鞍山市化工設備製造有限公司 (Anshan Chemical Equipment Manufacturing Co., Ltd.)	1
Cross-pipe Primary Cooler	F=3000M2	無錫市焦化煤氣設備廠 (Wuxi Coking & Gas Equipment Factory)	3
Mist Collector	¢1300*8	中化二建集團有限公司 (China Chemical Engineering Second Construction Corporation)	1
Electro Tar Precipitator	—	鞍山市化工設備製造有限公司 (Anshan Chemical Equipment Manufacturing Co., Ltd.)	2
Tar Pump	ZSR80-50-200A	山東雙輪集團陝西銷售有限公司 (Shandong Doublewheel Group Shan'xi Sales Co.)	2
Manual Monorail	Q=5T	—	1

Particulars of the Acquired Machineries	Model Number	Manufacturer	Quantity
Chemical Dosing Measurement Pump	S25*25-12.5	山西泓源達環境技術設備有限公司 (Shanxi Hongyuanda Environment Technology Equipment Co. Ltd.)	8
Accident Groove	DN5300 H=4151MM VN90M3	中化二建集團有限公司孝義項目部 (Sinochem No. 2 Construction Group Co., Ltd Xiaoyi Project Department)	1
Ammonia Vent	¢1400*4500*8	中化二建集團有限公司孝義項目部 (Sinochem No. 2 Construction Group Co., Ltd Xiaoyi Project Department)	1
Ammonia Tank	¢400*2000*6	中化二建集團有限公司孝義項目部 (Sinochem No. 2 Construction Group Co., Ltd Xiaoyi Project Department)	2
Water-seal Tank	¢400*2000*6	中化二建集團有限公司孝義項目部 (Sinochem No. 2 Construction Group Co., Ltd Xiaoyi Project Department)	1
Liquid-seal Tank	¢400*400*6	中化二建集團有限公司孝義項目部 (Sinochem No. 2 Construction Group Co., Ltd Xiaoyi Project Department)	1
Emptying Groove	DN1200 L=3000	中化二建集團有限公司孝義項目部 (Sinochem No. 2 Construction Group Co., Ltd Xiaoyi Project Department)	1
Vehicle	—	—	1

Particulars of the Acquired Machineries	Model Number	Manufacturer	Quantity
Refrigeration Pump	12SH-9B	山東雙輪集團陝西銷售有限公司 (Shandong Doublewheel Group Shan'xi Sales Co.)	3
Circulating Water Pump	12SH-9	山東雙輪集團陝西銷售有限公司 (Shandong Doublewheel Group Shan'xi Sales Co.)	3
Upper Groove	DN2000 L=120001MM VN35M3	—	1
Lower Groove	DN2000 L=60001MM VN20M3	—	1
Frp Cooling Tower	112M2	河南沁陽市菲隆玻璃鋼建材廠 (Henan Qinyang Feilong Glass Construction Material Co., Ltd)	3
Water Recycling Pump	80-50-200	—	1
Residual Ammonia Pump	ISR65-40-200	山東雙輪集團陝西銷售有限公司 (Shandong Doublewheel Group Shan'xi Sales Co.)	2
Condensed fluid circulating pump	MCZ100-250	—	3
Production pump	IS100-65-200	山東雙輪集團陝西銷售有限公司 (Shandong Doublewheel Group Shan'xi Sales Co.)	3
Fire pump	IS150-125-400	山東雙輪集團陝西銷售有限公司 (Shandong Doublewheel Group Shan'xi Sales Co.)	2

Particulars of the Acquired Machineries	Model Number	Manufacturer	Quantity
Tar oil loading pump	50-150B	山東雙輪集團陝西銷售有限公司 (Shandong Doublewheel Group Shan'xi Sales Co.)	2
Auto filter	SQ60	—	3
Quantitative dosage system	DT2-Z Q=1400	宜興市鼎鑫環保有限公司 (Yixing Dingxin Environment Protection Co.)	2
Self-priming cooling pump	Q=15-30M2/N	山東雙輪集團陝西銷售有限公司 (Shandong Doublewheel Group Shan'xi Sales Co.)	2
Low temperature water pump	IS200-150-400	山東雙輪集團陝西銷售有限公司 (Shandong Doublewheel Group Shan'xi Sales Co.)	3
Intermediate tar oil pump	50AY60B	山東雙輪集團陝西銷售有限公司 (Shandong Doublewheel Group Shan'xi Sales Co.)	2
Low temperature water pump	¢1400*4500*8	山東雙輪集團陝西銷售有限公司 (Shandong Doublewheel Group Shan'xi Sales Co.)	3
Lower condensed fluid pump	65AY60A	山東雙輪集團陝西銷售有限公司 (Shandong Doublewheel Group Shan'xi Sales Co.)	2
Upper condensed fluid pump	80AY60	山東雙輪集團陝西銷售有限公司 (Shandong Doublewheel Group Shan'xi Sales Co.)	2

Particulars of the Acquired Machineries	Model Number	Manufacturer	Quantity
Tar oil pump	80AY60	山東雙輪集團陝西銷售有限公司 (Shandong Doublewheel Group Shan'xi Sales Co.)	2
Slurry pump	KH1006 55KW	唐山市科江流體機械開發有限公司 (Tanshan Kejiang Floating Liquid Machinery Development Co. Ltd.)	2
Ammonia water cycle tank	12SH-9A	山東雙輪集團陝西銷售有限公司 (Shandong Doublewheel Group Shan'xi Sales Co.)	2
Tar oil storage tank	DN5300 H=6965 120T VN130 square metre	—	2
Gas blower	D815	西安陝鼓動力股份有限公司 (Shan'xi Shangu Powering Co. Ltd.)	2
Crane	SDXQ-2. G=2.0Z	天津起重機廠 (Tianjin Crane Factory)	1
Seal water blower tank	Length: 2600mm Width: 1000mm Height: 4000mm	—	2
Seal water tank	DN800 H-3000MM	—	10
Mechanical separating tank	VN300M3	鞍山市化工設備製造有限公司 (Anshan Chemical Equipment Manufacturing Co., Ltd.)	2
Tar oil clarifying tank	VN95M3	—	1
Ammonia water cycle tank	DN5300 H=4151MM VN90M3	—	1

Particulars of the Acquired Machineries	Model Number	Manufacturer	Quantity
Sampling cooler	—	宜興市鼎鑫環保有限公司 (Yixing Dingxin Environment Protection Co.)	2
Ammonia water residual tank	DN6500 H=8254MM VN250M3	—	2
Accident tank	DN7700 H=9725MM	—	1
Axis protection blower	T35-4.5	上虞市專用機械廠 (Shangyu Special Machinery Factory)	12
Submerged pump	CAY40-160C	丹東克隆集團有限責任公司 (Dandong Kelong Group Co. Ltd)	1
Submerged pump	IHY65-50-160A	山東雙輪集團陝西銷售有限公司 (Shandong Doublewheel Group Shan'xi Sales Co.)	4
Underground emptying groove	DNW1800 L=5500 VW1300M3	—	2
Cooling tower	DN3200 H=18000	楊貴保 (Yang Gui Bao)	1
Desulphurizing tower	DN5500 H=30000MM	山西新東方機械有限公司 (Shanxi Xindongfang Machinery Co. Ltd)	1
Regeneration tower	DN3800 H=43550MM	山西新東方機械有限公司 (Shanxi Xindongfang Machinery Co. Ltd)	1
Reaction tank	DN3600 L=13000MM	中化二建集團有限公司孝義項目部 (Sinochem No. 2 Construction Group Co., Ltd Xiaoyi Project Department)	1

Particulars of the Acquired Machineries	Model Number	Manufacturer	Quantity
Desulfurizing liquid seal tank	DN3600 H=5300MM	中化二建集團有限公司孝義項目部 (Sinochem No. 2 Construction Group Co., Ltd Xiaoyi Project Department)	1
Precooling liquid cycle pump	100-250B-C	山東雙輪集團陝西銷售有限公司 (Shandong Doublewheel Group Shan'xi Sales Co.)	2
Precooling liquid heat exchanger	FN=50M2	無錫雪浪換熱器廠 (Wuxi Xuelang Heat-exchanger Factory)	3
Desulfurizing liquid heat cooler	FN-50M2	無錫雪浪換熱器廠 (Wuxi Xuelang Heat-exchanger Factory)	1
Sulphur melter	DN1200 H=4157.5MM	三門峽市信德化工裝備有限責任公司 (SanMenxia Xinde Chemical Equipment Co., Ltd)	3
Desulfurizing liquid cycle pump	250-50B	—	2
Bubble tank	DN2800H=5338M	—	2
Water recycling tank	10T	—	1
Desulfurizing liquid emptying groove	8T	—	1
Blender	Y132S-4	—	2
Submerged pump	50-32-200	山東雙輪集團陝西銷售有限公司 (Shandong Doublewheel Group Shan'xi Sales Co.)	1
Bubble pump	40-200A	山東雙輪集團陝西銷售有限公司 (Shandong Doublewheel Group Shan'xi Sales Co.)	4

Particulars of the Acquired Machineries	Model Number	Manufacturer	Quantity
Ammonia water self-priming pump	G50WFB-B1	山東雙輪集團陝西銷售有限公司 (Shandong Doublewheel Group Shan'xi Sales Co.)	2
Sulphur bubble pump	Q14M3/N H=26M	山東雙輪集團陝西銷售有限公司 (Shandong Doublewheel Group Shan'xi Sales Co.)	2
Sealed self-priming pump	2G50-B	山東雙輪集團陝西銷售有限公司 (Shandong Doublewheel Group Shan'xi Sales Co.)	1
Manualcleaning separator hoist	—	山西新東方機械有限公司 (Shanxi Xindongfang Machinery Co. Ltd)	1
Fluid-level adjustment device	—	山西新東方機械有限公司 (Shanxi Xindongfang Machinery Co. Ltd)	1
Desulfuried residue tank	¢3000*3000*10	中化二建集團有限公司孝義項目部 (Sinochem No. 2 Construction Group Co., Ltd Xiaoyi Project Department)	1
Ammonia water heat exchanger	FN=25M2	—	1
Gas preheater	DN/300 H=3740	無錫雪浪換熱器廠 (Wuxi Xuelang Heat-exchanger Factory)	2
Spraying saturator	DN3400/2400	無錫雪浪換熱器廠 (Wuxi Xuelang Heat-exchanger Factory)	2
Sulphuric acid pump	MCZ40-160B	山東雙輪集團陝西銷售有限公司 (Shandong Doublewheel Group Shan'xi Sales Co.)	2

Particulars of the Acquired Machineries	Model Number	Manufacturer	Quantity
Axial flow blower	T35-4.5	上虞市專用機械廠 (Shangyu Special Machinery Factory)	5
Ammonia water heat Exchanger	FN=25 square meter	無錫雪浪換熱器廠 (Wuxi Xuelang Heat-exchanger Factory)	2
Nozzle of saturator	DN3400	鞍山市化工設備製造有限公司 (Anshan Chemical Equipment Manufacturing Co., Ltd.)	2
Roof blower	DWT-I-4	上虞市專用風機廠 (Shangyu Special Machinery Factory)	1
Mother liquor-emptying submerged pump	IHY50-52-160-1445	山東雙輪集團陝西銷售有限公司 (Shandong Doublewheel Group Shan'xi Sales Co.)	1
Acid uploading tank	DN/400 H=7000 VN10M3	中化二建集團有限公司孝義項目部 (Sinochem No. 2 Construction Group Co., Ltd Xiaoyi Project Department)	1
Alkaline uploading tank	DN1400 L=7000	中化二建集團有限公司孝義項目部 (Sinochem No. 2 Construction Group Co., Ltd Xiaoyi Project Department)	2
Crystal tank	¢1600*2680*6	中化二建集團有限公司孝義項目部 (Sinochem No. 2 Construction Group Co., Ltd Xiaoyi Project Department)	2
Dehydrator	¢310*500*5	中化二建集團有限公司孝義項目部 (Sinochem No. 2 Construction Group Co., Ltd Xiaoyi Project Department)	3

Particulars of the Acquired Machineries	Model Number	Manufacturer	Quantity
Alkaline storage lees	DN4400 H=5585	中化二建集團有限公司孝義項目部 (Sinochem No. 2 Construction Group Co., Ltd Xiaoyi Project Department)	1
Preheated pressure flow lees	DN1600 H=4000MM	中化二建集團有限公司孝義項目部 (Sinochem No. 2 Construction Group Co., Ltd Xiaoyi Project Department)	2
Sulphuric acid storage lees	H=5585 VN70M3	中化二建集團有限公司孝義項目部 (Sinochem No. 2 Construction Group Co., Ltd Xiaoyi Project Department)	2
Air cooler	40-72	—	1
Sulphuric acid pump	MCZ40-160B	山東雙輪集團陝西銷售有限公司 (Shandong Doublewheel Group Shan'xi Sales Co.)	2
Explosion-proof axial flow blower	BT35-11.5	上虞市專用風機廠 (Shangyu Special Machinery Factory)	7
Air feeder	4-72-5A	—	1
Cyclonic separator	DN800	—	2
Compressed air dryer	CAD-10/0.8	太原實益氣體工程設備有限公司 (Taiyuan Shiyi Air Project Equipment Co. Ltd)	2
Self-priming pump	2.3BXG50WFB-G	山東雙輪集團陝西銷售有限公司 (Shandong Doublewheel Group Shan'xi Sales Co.)	2

Particulars of the Acquired Machineries	Model Number	Manufacturer	Quantity
Small mother liquor pump	MCZ32-160A	山東雙輪集團陝西銷售有限公司 (Shandong Doublewheel Group Shan'xi Sales Co.)	2
Cyclonic pusher device	JZQ250	新鄉市薄東機械有限公司 (Xinxiang Bodong Machinery Co. Ltd.)	1
Crystal pump	MCZ040-200C-D	山東雙輪集團陝西銷售有限公司 (Shandong Doublewheel Group Shan'xi Sales Co.)	2
Centrifugation machine	NH-800	—	2
Heat device	F=200.13 square meter	—	1
Dryer machine	TG229*602	—	1
Ammonia stripper	F-25m^2	無錫雪浪換熱器廠 (Wuxi Xuelang Heat-exchanger Factory)	1
Ammonia still	DN1600 IF10419-2	三門峽市信德化工裝備有限責任公司 (SanMenxia Xinde Chemical Equipment Co., Ltd)	1
Waste water condenser	FN=55 square meter	無錫雪浪換熱器廠 (Wuxi Xuelang Heat-exchanger Factory)	1
Waste water pump	MCZ32-160A	山東雙輪集團陝西銷售有限公司 (Shandong Doublewheel Group Shan'xi Sales Co.)	2
Manual mono rail hoist	Q=5T	—	1
Manual mono rail hoist	Q=5T	—	1
Waste water channel	DN2200 H=2125 VN7M3	中化二建集團有限公司孝義項目部 (Sinochem No. 2 Construction Group Co., Ltd Xiaoyi Project Department)	1

Particulars of the Acquired Machineries	Model Number	Manufacturer	Quantity
Acid unloading pump	50-32-160	山東雙輪集團陝西銷售有限公司 (Shandong Doublewheel Group Shan'xi Sales Co.)	1
Underground emptying channel	¢1200 *3000*6	中化二建集團有限公司孝義項目部 (Sinochem No. 2 Construction Group Co., Ltd Xiaoyi Project Department)	1
Lye circulation Pump	MCZ200/315	山東雙輪集團陝西銷售有限公司 (Shandong Doublewheel Group Shan'xi Sales Co.)	2
Lye emptying channel	DN/400 H=4500 VN6M3	—	1
Lye reserve channel	DN400 H=2019	—	2
Manual mono rail hoist/with chain hoist	Q=1T Q=1T H=40M	—	1
Vitriol upper tank	¢2000*5000*10	中化二建集團有限公司孝義項目部 (Sinochem No. 2 Construction Group Co., Ltd Xiaoyi Project Department)	1
Waste water emptying pump	IHY50-32-20013	中化二建集團有限公司孝義項目部 (Sinochem No. 2 Construction Group Co., Ltd Xiaoyi Project Department)	1
Final cooler	—	—	1
Crude benzene refluxing pump	CMH40-32-200	—	2
Naphthalene oil pump	ZHY80-50-160	—	2
Crude benzene product pump	CMA40-200A	—	2

Particulars of the Acquired Machineries	Model Number	Manufacturer	Quantity
Submerged pump	ZHYB80-50-200	山東雙輪集團陝西銷售有限公司 (Shandong Doublewheel Group Shan'xi Sales Co.)	3
Automatic control system	—	—	1
Fat oil tank	DN4400 H=5585	中化二建集團有限公司孝義項目部 (Sinochem No. 2 Construction Group Co., Ltd Xiaoyi Project Department)	1
Regenerator	DN1600 H=9000	中化二建集團有限公司孝義項目部 (Sinochem No. 2 Construction Group Co., Ltd Xiaoyi Project Department)	1
Crude benzene oil water separation device	DN1400 H=4500	中化二建集團有限公司孝義項目部 (Sinochem No. 2 Construction Group Co., Ltd Xiaoyi Project Department)	1
Control separation device	DN1400 H=4500	中化二建集團有限公司孝義項目部 (Sinochem No. 2 Construction Group Co., Ltd Xiaoyi Project Department)	1
Water empty channel	¢1400*4500*8	中化二建集團有限公司孝義項目部 (Sinochem No. 2 Construction Group Co., Ltd	1
Oil washing channel	DN4400 H=5585	中化二建集團有限公司孝義項目部 (Sinochem No. 2 Construction Group Co., Ltd Xiaoyi Project Department)	1

Particulars of the Acquired Machineries	Model Number	Manufacturer	Quantity
Ammonia condenser	FN=25 square meter	無錫雪浪換熱器廠 (Wuxi Xuelang Heat-exchanger Factory)	1
Residue oil solution channel	DN200 L=5500 VN20 square meter	中化二建集團有限公司孝義項目部 (Sinochem No. 2 Construction Group Co., Ltd Xiaoyi Project Department)	2
Crude benzene channel	DN2600 L=6500 VN30 square meter	中化二建集團有限公司孝義項目部 (Sinochem No. 2 Construction Group Co., Ltd Xiaoyi Project Department)	2
Crude benzene separate water channel	¢1800*6500*8	中化二建集團有限公司孝義項目部 (Sinochem No. 2 Construction Group Co., Ltd Xiaoyi Project Department)	2
Oil washing unloading car submerged pump	50-32-200B	山東雙輪集團陜西銷售有限公司 (Shandong Doublewheel Group Shan'xi Sales Co.)	1
Fixed cleaner oil pump	MCZ65-200D	山東雙輪集團陜西銷售有限公司 (Shandong Doublewheel Group Shan'xi Sales Co.)	2
Crude benzene condenser cooler	FN=285*2 square meter	—	2
First stage lean condenser	FN=100 square meter	無錫雪浪換熱器廠 (Wuxi Xuelang Heat-exchanger Factory)	2
First stage lean condenser	23FHD1080 F=100 square meter	無錫雪浪換熱器廠 (Wuxi Xuelang Heat-exchanger Factory)	2

Particulars of the Acquired Machineries	Model Number	Manufacturer	Quantity
Lean and fat oil second stage heat exchanger	23FHD1074 F=100 square meter	無錫雪浪換熱器廠 (Wuxi Xuelang Heat-exchanger Factory)	3
Second stage lean oil condenser	23FHD1081 F=120 square meter	無錫雪浪換熱器廠 (Wuxi Xuelang Heat-exchanger Factory)	3
Self-priming pump	2BXG65WFB-B	山東雙輪集團陝西銷售有限公司 (Shandong Doublewheel Group Shan'xi Sales Co.)	4
First stage oil heat exchanger	FN=100 square meter	無錫雪浪換熱器廠 (Wuxi Xuelang Heat-exchanger Factory)	3
Hot lean oil pump	SLZA50-315	山東雙輪集團陝西銷售有限公司 (Shandong Doublewheel Group Shan'xi Sales Co.)	3
Second stage lean oil condenser	FN=120 square meter	無錫雪浪換熱器廠 (Wuxi Xuelang Heat-exchanger Factory)	3
Lean and fat oil first stage heat exchanger changed to spiral plate	23FHD1070 F=150 square meter	無錫雪浪換熱器廠 (Wuxi Xuelang Heat-exchanger Factory)	4
Final cooler circulating pump	CZ100-250C	山東雙輪集團陝西銷售有限公司 (Shandong Doublewheel Group Shan'xi Sales Co.)	3
Washing naphthalene oil pump	CC32-250B	丹東克隆集團有限責任公司 (Dandong Kelong Group Co. Ltd)	4
Oil-steam heat exchanger/ crude benzene condenser cooler	IFH01070 FN=285*2 square meter	無錫雪浪換熱器廠 (Wuxi Xuelang Heat-exchanger Factory)	1
Benzole stripping column oil-water separator	DN600 L=3000	—	1

Particulars of the Acquired Machineries	Model Number	Manufacturer	Quantity
Upper stage condensate cooler	FN=130 square meter	無錫雪浪換熱器廠 (Wuxi Xuelang Heat-exchanger Factory)	2
Lower stage condensate cooler	FN=130 square meter	無錫雪浪換熱器廠 (Wuxi Xuelang Heat-exchanger Factory)	3
Oil-steam heat exchanger	FN=285*2 square meter	無錫雪浪換熱器廠 (Wuxi Xuelang Heat-exchanger Factory)	1
Slurry pump	KH1006 45KW	唐山市科江流體機械開發有限公司 (Tanshan Kejiang Floating Liquid Machinery Development Co. Ltd.)	5
Second stage oil heat exchanger	FN=100 square meter	無錫雪浪換熱器廠 (Wuxi Xuelang Heat-exchanger Factory)	4
Benzol scrubber	DN3600 H=32100	無錫雪浪換熱器廠 (Wuxi Xuelang Heat-exchanger Factory)	1
Benzole stripping column	DN1600 IF6243-2	三門峽市信德化工裝備有限責任公司 (SanMenxia Xinde Chemical Equipment Co., Ltd)	1
Tubular furnace	IF9395255-25-¢127¢89	無錫雪浪換熱器廠 (Wuxi Xuelang Heat-exchanger Factory)	1
Refluxing channel	DN600 H=400	—	1
Tar oil storage Tank	DN7700 H=11105 500T VN450 square meter	—	2
Crude benzene high tank	DN2800 H=4205 VN22 stere	—	2
Tar oil high Tank	DN2800 H=4205 VN22 stere	—	2

Particulars of the Acquired Machineries	Model Number	Manufacturer	Quantity
Crude benzene emptying channel	DN2000 H=5500 VN16 stere	—	1
Oil washing unloading car channel	DN2200 H=5500 VN16 stere	—	1
Oil depot water emtying channel	DN2000 H=5500 VN16 stere	—	1
Submerged pump	CAY40-160C	丹東克隆集團有限責任公司 (Dandong Kelong Group Co. Ltd)	1
Oil depot crude benzene emptying pump	50-32-200	—	1
Oil water emptying pump	HY85-50-160	—	3
Crude Benzene Loading Pump	CM050-160	—	2
Oil depot water emptying submerged pump	IHY6550-160	山東雙輪集團陝西銷售有限公司 (Shandong Doublewheel Group Shan'xi Sales Co.)	3
Raw water filter	¢1800	宜興市鼎鑫環保有限公司 (Yixing Dingxin Environment Protection Co.)	3
Fully-automated water control software	Fulaike	江蘇鼎鑫環境工程有限公司 (Jiangsu Dingxin Environment Project Co., Ltd)	2
Soft water pump	ISG (B) 65-160-4KW	山東雙輪集團陝西銷售有限公司 (Shandong Doublewheel Group Shan'xi Sales Co.)	3
Soft water tank	35 tonnes	—	2
Soft water implement	3900	宜興市鼎鑫環保有限公司 (Yixing Dingxin Environment Protection Co.)	1
Air feeder	9-19-D	—	2

Particulars of the Acquired Machineries	Model Number	Manufacturer	Quantity
Deoxygenating pump	Y902-4	—	6
Dual band water supply equipment	QBWS-1-15*4	山東雙輪集團陝西銷售有限公司 (Shandong Doublewheel Group Shan'xi Sales Co.)	1
Axial flow blower	T35-11-4.5	上虞市專用風機廠 (Shanyu Special Blower Factory)	15
Gas-distributing cylinder	V1.35 cubic meters P=1.0MPA	江蘇雙良鍋爐有限公司 (Jiangsu Shuangliang Boiler Co. Ltd.)	1
Self suction pump for emptying lees	Q15-30M3/N	山東雙輪集團陝西銷售有限公司 (Shandong Doublewheel Group Shan'xi Sales Co.)	2
Water emptying pump	IHY50-52MNR	山東雙輪集團陝西銷售有限公司 (Shandong Doublewheel Group Shan'xi Sales Co.)	1
Boiler	WNS-1.25-QJYC	江蘇雙良鍋爐有限公司 (Jiangsu Shuangliang Boiler Co. Ltd.)	2
Deoxygenator	RDGN25-10	宜興市鼎鑫環保有限公司 (Yixing Dingxin Environment Protection Co.)	2
Gas holder	C-0.6	太原實益氣體工程設備有限公司 (Taiyuan Shiyi Air Project Equipment Co. Ltd)	2
Gas holder	C-1	太原實益氣體工程設備有限公司 (Taiyuan Shiyi Air Project Equipment Co. Ltd)	2

Particulars of the Acquired Machineries	Model Number	Manufacturer	Quantity
Air saturator	—	山西泓源達環境技術設備有限公司 (Shanxi Hongyuanda Environment Technology Equipment Co. Ltd.)	1
Air compressor	SA-10W-8.5	太原實益氣體工程設備有限公司 (Taiyuan Shiyi Air Project Equipment Co. Ltd)	2
Air compressor	SA120W	太原實益氣體工程設備有限公司 (Taiyuan Shiyi Air Project Equipment Co. Ltd)	3
Preheater	—	—	1
Gas holder	C-2	太原實益氣體工程設備有限公司 (Taiyuan Shiyi Air Project Equipment Co. Ltd)	3
1#lift pump for collecting well	50FMG-22X	山西泓源達環境技術設備有限公司 (Shanxi Hongyuanda Environment Technology Equipment Co. Ltd.)	2
Submersible sewage pump	Q210M3/N H=10M	山東雙輪集團陝西銷售有限公司 (Shandong Doublewheel Group Shan'xi Sales Co.)	1
Drug addition and storage tank	—	山西泓源達環境技術設備有限公司 (Shanxi Hongyuanda Environment Technology Equipment Co. Ltd.)	4

Particulars of the Acquired Machineries	Model Number	Manufacturer	Quantity
Drug addition and storage tank	—	山西泓源達環境技術設備有限公司 (Shanxi Hongyuanda Environment Technology Equipment Co. Ltd.)	4
Explosion-proof motor	T35-11-4.5	大連市沙河口區上虞風機冷卻塔銷售中心 (Dalian Shahekou Shangyu Cooling Tower Sales Centre)	1
Drug addition and dispensing tank	—	山西泓源達環境技術設備有限公司 (Shanxi Hongyuanda Environment Technology Equipment Co. Ltd.)	4
3#lift pump for collecting well	100FMG-32	山西泓源達環境技術設備有限公司 (Shanxi Hongyuanda Environment Technology Equipment Co. Ltd.)	3
Thermal water pump	Q250M3/N H=50M	山東雙輪集團陝西銷售有限公司 (Shandong Doublewheel Group Shan'xi Sales Co.)	2
Filter	JG-18F	—	3
Blower	D40-1.7	山西泓源達環境技術設備有限公司 (Shanxi Hongyuanda Environment Technology Equipment Co. Ltd.)	3
Sewage treatment control system	—	—	1

Particulars of the Acquired Machineries	Model Number	Manufacturer	Quantity
Sludge thickening scraper	XLSP742-1655	山西泓源達環境技術設備有限公司 (Shanxi Hongyuanda Environment Technology Equipment Co. Ltd.)	1
Sludge scraper for coagulation and sedimentation pool	XLSPB842-34075	山西泓源達環境技術設備有限公司 (Shanxi Hongyuanda Environment Technology Equipment Co. Ltd.)	1
2#lift pump for collecting well	200FMG-18	山西泓源達環境技術設備有限公司 (Shanxi Hongyuanda Environment Technology Equipment Co. Ltd.)	2
Lift pump for regulating pool	80FMG-22	山西泓源達環境技術設備有限公司 (Shanxi Hongyuanda Environment Technology Equipment Co. Ltd.)	2
Corrosion and explosion-proof centrifugal fan	4-68-5	上虞市專用風機廠 (Shanyu Special Blower Factory)	2
Lift pump for residual sludge	50FMG-22	山西泓源達環境技術設備有限公司 (Shanxi Hongyuanda Environment Technology Equipment Co. Ltd.)	2
Single spiral screw pump	—	山西泓源達環境技術設備有限公司 (Shanxi Hongyuanda Environment Technology Equipment Co. Ltd.)	1

Particulars of the Acquired Machineries	Model Number	Manufacturer	Quantity
Regulating pool mixer	QJB22/8	山西泓源達環境技術設備有限公司 (Shanxi Hongyuanda Environment Technology Equipment Co. Ltd.)	2
Air-floating oil scraper	XLFD421	山西泓源達環境技術設備有限公司 (Shanxi Hongyuanda Environment Technology Equipment Co. Ltd.)	1
Air-floating water supply pump	MSG80-250	山西泓源達環境技術設備有限公司 (Shanxi Hongyuanda Environment Technology Equipment Co. Ltd.)	2
Drugging mixer	LG.2	山西泓源達環境技術設備有限公司 (Shanxi Hongyuanda Environment Technology Equipment Co. Ltd.)	4
Anaerobic inner-circulating pump	ISG80-100	山西泓源達環境技術設備有限公司 (Shanxi Hongyuanda Environment Technology Equipment Co. Ltd.)	4
Sludge reflux pump for secondary sedimentation tank	100FMG-24	山西泓源達環境技術設備有限公司 (Shanxi Hongyuanda Environment Technology Equipment Co. Ltd.)	4

Particulars of the Acquired Machineries	Model Number	Manufacturer	Quantity
Filter	—	山西泓源達環境技術設備有限公司 (Shanxi Hongyuanda Environment Technology Equipment Co. Ltd.)	2
Sludge scraper for secondary sedimentation tank	XLSDB42-34075	山西泓源達環境技術設備有限公司 (Shanxi Hongyuanda Environment Technology Equipment Co. Ltd.)	2
Pipe system for sewage treatment	—	—	1
Heavy oil tank	¢1600,H=2800	山西泓源達環境技術設備有限公司 (Shanxi Hongyuanda Environment Technology Equipment Co. Ltd.)	1
Air floatation tank	—	山西泓源達環境技術設備有限公司 (Shanxi Hongyuanda Environment Technology Equipment Co. Ltd.)	1
Heavy oil pump for oil separating tank	2FFX-41	山西泓源達環境技術設備有限公司 (Shanxi Hongyuanda Environment Technology Equipment Co. Ltd.)	6
Mixer for mixed reaction tank	XLFD42	山西泓源達環境技術設備有限公司 (Shanxi Hongyuanda Environment Technology Equipment Co. Ltd.)	4

Particulars of the Acquired Machineries	Model Number	Manufacturer	Quantity
Anaerobium generator	—	山西泓源達環境技術設備有限公司 (Shanxi Hongyuanda Environment Technology Equipment Co. Ltd.)	2
Air pipe	—	—	1
Corrosion-proof sulfur and ammonium pipe	—	—	1
Low-temperature water pipe	—	—	1
Pipe system	—	—	—
Ammonia water pipe	—	—	1
Production water pipe	—	—	1
Gas pipe	—	—	1
Steam pipe	—	—	1
Electricity network	—	—	1
Fire protection pipe	—	—	1
Water circulation pipe	—	—	1
Tar pipe system	—	—	1
Four-baskets desulfurization tower	¢5000 H=7180	—	1
New diesel storage lees	¢53400 L=4500	—	1
Used diesel storage lees	¢3400 H=2825	—	1
Light diesel storage lees	¢1400 L=4500	—	1
Underground emptying lees	¢1200 L=3000	—	1
Water sealing lees	¢500 H=3000	—	1
Oil sealing lees	¢500 H=3300	—	1
Naphthlene washing tower for gas station	—	—	1
Gas station pipe	—	—	1
Desulfurization pipe for gas station	—	—	1
Gas compressor	—	—	3
Cooler for gas station	—	—	3
Driving vehicles for gas station	—	—	1

Particulars of the Acquired Machineries	**Model Number**	**Manufacturer**	**Quantity**
Naphthlene removing pump for gas station	—	—	4
Fire pump for gas station	—	—	4
Fire pump for gas station	—	—	2
Circulating oil pump for gas station	—	—	2
Gas tank for gas station	—	—	1
Coke dust gathering station	—	—	1

4. COMBINED RESULTS

The following is a summary of the combined results of the Acquired Coke Processing Assets for the Relevant Periods, which have been prepared on the basis set out in Section 2.

	Period ended 30 September		**Year ended 31 December**		
	2009	**2008**	**2008**	**2007**	**2006**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Revenue	970,856	942,625	1,523,501	804,767	—
Costs of goods sold	(743,798)	(514,877)	(802,822)	(456,459)	—
Gross profit	227,058	427,748	720,679	348,308	—
Other expenses	(44,307)	(271,849)	(472,274)	(217,507)	(11,775)
Profit/(loss) before tax	182,751	155,899	248,405	130,801	(11,775)

a. Segment information

Segment information is presented by way of two segment formats: (i) on a primary segment reporting basis, by business segment; and (ii) on a secondary segment reporting basis, by geographical segment.

The businesses of the Acquired Coke Processing Assets are structured and managed separately, according to the nature of their operations and the products they produce. Each of the business segments represents a strategic business unit that offers products which are subject to risks and returns that are different from those of the other business segments. The business segments of the Acquired Coke Processing Assets are categorised as production of coal related products.

In determining the geographical segments of the Acquired Coke Processing Assets, revenues and results are attributed to the segments based on the location of the customers, i.e. sales in the PRC.

Business segments

For the Relevant Periods, the entire turnover of the Acquired Coke Processing Assets was derived from production of coal related products, no business segments were presented accordingly.

Geographical segments

As at 30 September 2009, 30 September 2008, 31 December 2008, 2007 and 2006, the whole amounts of the Acquired Coke Processing Assets are located at the PRC and no geographical segments were presented accordingly.

b. Revenue and other revenue

Revenue represents gross revenue arising from sales of coal related products. It is stated at net of value added tax of approximately RMB970,856,000, RMB942,625,000, RMB1,524,501,000 and RMB804,767,000 respectively for the periods ended 30 September 2009, 2008 and the years ended 31 December 2008, 2007.

c. Profit/(loss) before tax

The Acquired Coke Processing Assets' profit/(loss) before tax is arrived at after charging:

	Period ended 30 September		Year ended 31 December		
	2009	**2008**	**2008**	**2007**	**2006**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Cost of goods sold					
— Raw materials	654,354	452,961	706,278	391,159	—
— Electricity	35,846	24,814	38,691	4,931	—
— Direct labour	10,170	7,074	11,030	9,635	—
— Factory overhead	43,428	30,028	46,823	50,734	—
	743,798	514,877	802,822	456,459	—
Other expenses					
— Staff costs	1,010	5,892	6,291	246	7,611
— Transportation costs	37,179	102,360	203,143	137,490	—
— Office expenses	10	10	10	1,250	1,743
— Others tax	5,098	124,817	213,129	56,051	—
— Storage expenses	—	27,283	38,214	18,136	—
— Others	1,010	11,487	11,487	4,334	2,421
	44,307	271,849	472,274	217,507	11,775

5. The valuation of the Acquired Coke Processing Assets as at 31 December 2009 was RMB644,100,000, which is based on the valuation report issued by B.I. Appraisals Limited, an independent property valuers.

Yours faithfully
HLB Hodgson Impey Cheng
Chartered Accountants
Certified Public Accountants
Hong Kong

The following is the text of a report, prepared for the purpose of incorporation in this circular, received from the independent reporting accountants, HLB Hodgson Impey Cheng, Chartered Accountants, Certified Public Accountants, Hong Kong.

HLB 國衛會計師事務所
Hodgson Impey Cheng
Chartered Accountants
Certified Public Accountants

31/F, Gloucester Tower
The Landmark
11 Pedder Street
Central
Hong Kong

29 January 2010

The Board of Directors
Huscoke Resources Holdings Limited
Room 4205, 42th Floor
Far East Finance Center
16 Harcourt Road
Admiralty
HONG KONG

Dear Sirs,

We report on the unaudited pro forma financial information of Huscoke Resources Holdings Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") together with the acquisition of coke processing assets (the "Acquired Coke Processing Assets") (together with the Group hereinafter referred to as the "Enlarged Group") (the "Unaudited Pro Forma Financial Information") which has been prepared by the directors of the Company for illustrative purpose only, to provide information about how the proposed acquisition of the Acquired Coke Processing Assets (the "Acquisition"), might have affected the financial information presented for inclusion in Appendix I of the circular of the Company dated 29 January 2010 (the "Circular"). The basis of preparation for the Unaudited Pro Forma Financial Information on the Enlarged Group is set out on page III-4 to the Circular.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS OF THE COMPANY AND REPORTING ACCOUNTANTS

It is the responsibility solely of the directors of the Company to prepare the Unaudited Pro Forma Financial Information in accordance with Rule 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and with reference to Accounting Guideline 7 "Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars" issued by Hong Kong Institute of Certified Public Accountants (the "HKICPA").

It is our responsibility to form an opinion as required by Rule 4.29(7) of the Listing Rules, on the Unaudited Pro Forma Financial Information on the Enlarged Group and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the Unaudited Pro Forma Financial Information on the Enlarged Group beyond that owned to those to whom those reports were addressed by us at the dates of their issue.

BASIS OF OPINION

We conducted our engagement in accordance with Hong Kong Standard on Investment Circular Reporting Engagements ("HKSIR") 300 "Accountants' Reports on Pro Forma Financial Information in Investment Circulars" issued by the HKICPA. Our work consisted primarily of comparing the unadjusted financial information with the source documents, considering the evidence supporting the adjustments and discussing the Unaudited Pro Forma Financial Information with the directors of the Company. The engagement did not involve independent examination of any of the underlying financial information.

We planned and performed our work so as to obtain the information and explanations we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the Unaudited Pro Forma Financial Information has been properly compiled by the directors of the Company on the basis stated, that such basis is consistent with the accounting policies of the Group and that the adjustments are appropriate for the purposes of the Unaudited Pro Forma Financial Information as disclosed pursuant to Rule 4.29(1) of the Listing Rules.

The Unaudited Pro Forma Financial Information is for illustrative purposes only, based on the judgments and assumptions of the directors of the Company, and, because of its hypothetical nature, does not provide any assurance or indication that any event will take place in the future and may not be indicative of:

- the financial position of the Enlarged Group as at 30 June 2009 or any future date; or

- the financial results of the Enlarged Group for the year ended 31 December 2008 or for any future period.

OPINION

In our opinion:

- the Unaudited Pro Forma Financial Information has been properly compiled by the directors of the Company on the basis stated;

- such basis is consistent with the accounting policies of the Group; and

- the adjustments are appropriate for the purposes of the Unaudited Pro Forma Financial Information as disclosed pursuant to Rule 4.29(1) of the Listing Rules.

Yours faithfully
HLB Hodgson Impey Cheng
Chartered Accountants
Certified Public Accountants
Hong Kong

UNAUDITED PRO FORMA FINANCIAL INFORMATION ON THE ENLARGED GROUP

1. Introduction

The Unaudited Pro Forma Financial Information on the Enlarged Group has been prepared to illustrate the effect of the Acquisition.

The Unaudited Pro Forma Financial Information on the Enlarged Group has been prepared in accordance with the Rule 4.29 of the Listing Rules for the purpose of illustrating the effect of the Acquisition as if the Acquisition took place on 30 June 2009 for the consolidated statement of financial position and on 1 January 2008 for the consolidated income statement.

The unaudited pro forma consolidated statement of financial position of the Enlarged Group is prepared based on the unaudited consolidated statement of financial position of the Group as at 30 June 2009, after making pro forma adjustments relating to the Acquisition that are (i) directly attributable to the transaction; and (ii) factually supportable.

The unaudited pro forma consolidated income statement is prepared based on the audited consolidated income statement of the Group for the year ended 31 December 2008 as set out in Appendix I to the Circular and the Financial Information of the Acquired Coke Processing Assets for the year ended 31 December 2008 as set out in Appendix II to the Circular after translation into Hong Kong dollars at exchange rate of RMB1 = HK$1.12248, after making pro forma adjustments relating to the Acquisition as if the Acquisition had been completed on 1 January 2008.

The accompanying Unaudited Pro Forma Financial Information on the Enlarged Group has been prepared by the directors of the Company for illustrative purpose only and is based on a number of assumptions, estimates and uncertainties. Accordingly, the Unaudited Pro Forma Financial Information on the Enlarged Group does not purport to describe the actual financial position of the Enlarged Group that would have been attained has the Acquisition been completed on 30 June 2009 and to describe the actual financial results of the Enlarged Group that would have been attained has the Acquisition been completed on 1 January 2008, nor purport to predict the Enlarged Group's future financial position or results of operations.

The Unaudited Pro Forma Financial Information on the Enlarged Group should be read in conjunction with the historical financial information on the Group as set out in Appendix I and other financial information included elsewhere in the Circular.

The Unaudited Pro Forma Financial Information on the Enlarged Group has been prepared by the directors of the Company for illustrative purposes only and because of its nature, it may not give a true picture of financial position of the Enlarged Group following completion of the Acquisition.

(I) Unaudited Pro Forma Consolidated Statement of Financial Position of the Enlarged Group

The following is the unaudited pro forma consolidated statement of financial position of the Enlarged Group, assuming that the Acquisition has been completed on 30 June 2009. The information is based on the unaudited consolidated financial statements of the Group as at 30 June 2009, after making pro forma adjustments relating to the Acquisition. Such information is adjusted to reflect the effect of the Acquisition.

As the unaudited pro forma consolidated statement of financial position of the Enlarged Group has been prepared for illustrative purpose only and because of its nature, it may not give a true picture of the financial position of the Enlarged Group as at the date to which it is made up to or at any future date.

	Unaudited Consolidated Statement of Financial Position of the Group as at 30 June 2009	Pro Forma adjustments		Unaudited Pro Forma Consolidated Statement of Financial Position of the Enlarged Group as at 30 June 2009
	HK$'000	*HK$'000*	*Notes*	*HK$'000*
Non-current assets				
Property, plant and equipment	510,112	679,825	*1*	1,189,937
Prepaid lease payments	67,773			67,773
Investment properties	26,658			26,658
Available-for-sale investment	3,448			3,448
Goodwill	399,262			399,262
Retirement benefit scheme's assets	3,825			3,825
Other intangible asset	821,242			821,242
	1,832,320			2,512,145
Current assets				
Inventories	37,305			37,305
Debtors, bills receivable and prepayments	574,238			574,238
Amount due from a minority shareholder of a subsidiary	275,774			275,774
Prepaid lease payments	730			730
Bank balances and cash	85,858			85,858
Investments held for trading	3,285			3,285
	977,190			977,190

	Unaudited Consolidated Statement of Financial Position of the Group as at 30 June 2009	Pro Forma adjustments		Unaudited Pro Forma Consolidated Statement of Financial Position of the Enlarged Group as at 30 June 2009
	HK$'000	*HK$'000*	*Notes*	*HK$'000*
Current liabilities				
Creditors, bills payable and accrued charges	304,682			304,682
Promissory notes	98,412			98,412
Income tax payable	38,972			38,972
Bank borrowings — due within one year	359,101			359,101
Amount due to directors	39,585			39,585
	840,752			840,752
Net current assets	136,438			136,438
Total assets less current liabilities	1,968,758			2,648,583
Capital and reserves				
Share capital	181,793			181,793
Reserves	1,539,788			1,539,788
Equity attributable to owners of the Company	1,721,581			1,721,581
Minority interests	63,004			63,004
Total equity	1,784,585			1,784,585
Non-current liabilities				
Bank borrowings	46,284			46,284
Deferred income tax liabilities	137,889			137,889
Long-term bank loan	—	290,319	*2*	290,319
Promissory notes	—	389,506	*3*	389,506
	184,173			863,998
	1,968,758			2,648,583

(II) Unaudited Pro Forma Consolidated Income Statement of the Enlarged Group

The following is the unaudited pro forma consolidated income statement of the Enlarged Group, assuming that the Acquisition has been completed on 1 January 2008. The information is based on the audited consolidated financial statements of the Group for the year ended 31 December 2008 as set out in Appendix I to the Circular and the Financial Information of the Acquired Coke Processing Assets for the year ended 31 December 2008 as set out in Appendix II to the Circular after translation into Hong Kong dollars at an average exchange rate of RMB1 = HK$1.12248. Such information is adjusted to reflect the effect of the Acquisition.

As the unaudited pro forma consolidated income statement of the Enlarged Group has been prepared for illustrative purpose only and because of its nature, it may not give a true picture of results the Enlarged Group for the year ended to which it is made up to or for any future period.

	Audited Consolidated Income Statement of the Group for the year ended 31 December 2008	Unaudited financial information of the Acquired Coke Processing Assets for the year ended 31 December 2008	Sub-total	Pro Forma adjustments		Unaudited Pro Forma Consolidated Income Statement of the Enlarged Group for the year ended 31 December 2008
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*Note*	*HK$'000*
Revenue	1,235,088	1,710,099	2,945,187	(835,187)	*4*	2,110,000
Cost of sales						
— Others	(1,074,887)	(901,151)	(1,976,038)	835,187	*4*	(1,140,851)
— Amortisation of other Intangible assets	(27,194)	—	(27,194)			(27,194)

	Audited Consolidated Income Statement of the Group for the year ended 31 December 2008	Unaudited financial information of the Acquired Coke Processing Assets for the year ended 31 December 2008	Sub-total	Pro Forma adjustments	Note	Unaudited Pro Forma Consolidated Income Statement of the Enlarged Group for the year ended 31 December 2008
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*Note*	*HK$'000*
Gross profit	133,007	808,948	941,955			941,955
Other income	7,153	—	7,153			7,153
Distribution costs	(7,503)	(530,118)	(537,621)			(537,621)
Administrative expenses	(56,587)	—	(56,587)			(56,587)
Gain on fair value change of investments held for trading	396	—	396			396
Loss on fair value change of investment properties lease payment	(13,575)	—	(13,575)			(13,575)
Finance costs	(13,278)	—	(13,278)	(34,046)	5	(47,324)
Profit before taxation and impairment loss on goodwill	49,613	278,830	328,443			294,397
Impairment loss on goodwill	(1,870,383)	—	(1,870,383)			(1,870,383)
(Loss) profit before taxation	(1,820,770)	278,830	(1,541,940)			(1,575,986)
Taxation	(16,139)	—	(16,139)	(69,707)	6	(85,846)
(Loss) profit for the year from continuing operations	(1,836,909)	278,830	(1,558,079)			(1,661,832)
Discontinued operation						
Loss for the year from discontinued operation	(15,879)	—	(15,879)			(15,879)
(Loss) profit for the year	(1,852,788)	278,830	(1,573,958)			(1,677,711)

	Audited Consolidated Income Statement of the Group for the year ended 31 December 2008	Unaudited financial information of the Acquired Coke Processing Assets for the year ended 31 December 2008	Sub-total	Pro Forma adjustments		Unaudited Pro Forma Consolidated Income Statement of the Enlarged Group for the year ended 31 December 2008
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*Note*	*HK$'000*
Attributable to:						
Equity holders of the Company	(1,858,198)	278,830	(1,579,368)			(1,700,629)
Minority interests	5,410	—	5,410	17,508	7	22,918
	(1,852,788)	278,830	(1,573,958)			(1,677,711)
Basic loss per share					*8*	
From continuing and discontinued operations	(HK69.94 cents)					(HK64.01 cents)
From continuing operations	(HK69.34 cents)					(HK63.41 cents)

(III) Notes to the Unaudited Pro Forma Financial Information

The Unaudited Pro Forma Financial Information is prepared in accordance with HKAS 16 *Property, Plant and Equipment*. Under HKAS 16, the cost of acquiring the Coke Processing Assets is the amount of cash or cash equivalents paid or the fair value of other consideration given to acquire an asset at the time of its acquisition or construction or, where applicable, the amount attributed to that asset when initially recognised in accordance with the specific requirements of other HKFRSs.

1. The consideration for the Acquisition to be satisfied by the Group is RMB639,132,000. The consideration is to be satisfied by:

	RMB'000
Cash	255,652
18-month promissory note *(Note i)*	191,740
36-month promissory note *(Note i)*	191,740
	639,132
Exchange rate as at 30 June 2009	1.1356
Total consideration	HK$725,798,000

Note i:

	RMB'000
18-month promissory note	
Principal amount	191,740
Fair value	177,913
Difference	13,827
36-month promissory note	
Principal amount	191,740
Fair value	165,083
Difference	26,657
Total difference	RMB40,484,000
Exchange rate as at 30 June 2009	1.1356
Total difference	HK$45,974,000

The total difference between the principal amounts and fair values of the promissory notes would be reflected to the property, plant and equipment.

Acquired Coke Processing Assets

Market value as per valuation report, in RMB	RMB639,132,000
Less: Differences between the principal amounts and fair values of the promissory notes	(RMB40,484,000)
	RMB598,648,000
Exchange rate as at 30 June 2009	1.1356
Assumed cost of consideration	HK$679,825,000

2. As described in Note 1, part of the consideration would be settled by cash of RMB255,652,000 (approximately HK$290,319,000). It is assumed that the Group is able to raise a long-term bank loan to finance the Acquisition.

3. The carrying amounts of the 18-month promissory note and 36-month promissory note of approximately HK$389,506,000 (collectively "the Promissory Notes") represents its carrying values at the amortised cost and is calculated using the discounted cash flow method at an assumed effective interest rate of 5% p.a.

4. The pro forma adjustment represents the elimination of inter-company sales and respective cost of sales.

5. The pro forma adjustment of approximately HK$19,698,000 represents the imputed interest expenses for the Promissory Notes for the year ended 31 December 2008. The Company has taken the effective interest rate of 5% p.a. as at 1 January 2008 for the calculation of the imputed interest expenses based on the discount cash flow method.

   The pro forma adjustment of approximately HK$14,348,000 represents the long-term bank loan interest expenses for the year (Note 2). It is assumed that the interest rate is 5% p.a.

   The above two pro forma adjustments of HK$34,046,000 is reflected in finance costs for the year.

6. The pro forma adjustment of approximately HK$69,707,000 represents the profit tax expenses in relation to the Acquired Coke Processing Assets. The amount is calculated at the tax rate of 25% applicable in the PRC for the year ended 31 December 2008 in relation to the profit before taxation of approximately HK$278,830,000.

7. The pro forma adjustment of approximately HK$18,943,000 represents the share of profit by the 10% minority interest of 山西金岩和嘉能源有限公司 (GRG Huscoke (Shan Xi) Ltd.) as calculated as follows:

	HK$'000
Profit before taxation in relation to the Acquired Coke Processing Assets	278,830
loss:	
Adjustment on finance costs *(Note 5)*	(34,046)
Adjustment on tax expenses *(Note 6)*	(69,707)
Adjusted profit for the year in relation to the Acquired Coke Processing Assets	175,077
Profit attributable to 10% minority interest	17,508

8. (i) The calculation of pro forma basic loss per share from continuing and discontinued operations is based on the Enlarged Group's pro forma net loss attributable to the equity holders of the Company of HK$1,700,629,000 and the weighted average number of ordinary shares of 2,656,888,000 of the Enlarged Group upon the completion of the Acquisition.

(ii) The calculation of pro forma basic loss per share from continuing operations is based on the Enlarged Group's pro forma net loss attributable to the equity holders of the Company of HK$1,684,750,000 and the weighted average number of ordinary shares of 2,656,888,000 of the Enlarged Group upon the completion of the Acquisition.

No diluted loss per share has been presented as no diluting events existed during the year.

B.I.
To Know Your Strength Better

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29 January 2010

The Directors
Huscoke Resources Holdings Limited
Room 4205, Far East Finance Centre
16 Harcourt Road
Hong Kong

Dear Sirs,

Re: The fixed assets held by 孝義市金岩電力煤化工有限公司 (Xiaoyi City Golden Rock Electricity Coal Chemical Company Limited, hereinafter referred to as "Golden Rock") and/or its subsidiaries (hereinafter referred to as "Golden Rock Group") in its coking plant located at Xiaowu Road, Xiaoyi City, Shanxi Province, the People's Republic of China (the "PRC")

In accordance with the instructions from Huscoke Resources Holdings Limited (hereinafter referred to as the "Company") for us to assess the market value of the fixed assets (hereinafter referred to as the "Fixed Assets") in Xiaoyi City, Shanxi Province, which include buildings and structures (hereinafter referred to as the "Buildings") and machines and equipment (hereinafter referred to as the "Machinery"), and which are exhibited to us as those held by Golden Rock for the production of coke and the coal-processing chemical by-products, we confirm that we have carried out inspection, made relevant enquiries and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the market value of the Fixed Assets as at 31 December 2009 (hereinafter referred to as the "Date of Valuation").

It is our understanding that this valuation document is to be used for disclosure purpose in relation to the proposed acquisition of the Fixed Assets by the Company and/or its subsidiaries (hereinafter together referred to as the "Group").

This letter, forming part of our valuation report, identifies the fixed assets being valued; explains the basis and methodology of our valuation; lists out the assumptions, the title investigation and the limiting conditions made in the course of our valuation; and states our opinion of value.

BASIS OF VALUATION AND ASSUMPTIONS

The objective of our valuation is to provide an independent opinion of worth/investment value of the Fixed Assets as at the Date of Valuation on an ongoing basis.

According to the International Valuation Standard (8th Edition 2007), which is also adopted by Hong Kong Institute of Surveyors, there are two valuation bases, namely, market value basis and valuation bases other than market value. Our valuation of the Fixed Assets is on market value basis.

The term "Market Value" is define as "the estimated amount for which an asset should exchange on the Date of Valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion."

We assumed that, subject to the above definition, both the buyer and the seller contemplate the retention of the Fixed Assets at their existing state for the continuation of the current operations as a going concern business, and both seeking their maximum economic self-interest in arriving at an arm's-length transaction. The market value in continued existing use is further defined as the market value of an asset based on continuation of its existing use as part of an on-going business, assuming the asset could be sold in the open market for its existing use, and otherwise in keeping with the market value definition regardless of whether or not the existing use represents the highest and best use of the asset.

The opinion of the market value in continued existing use is not necessarily intended to represent the amount that might be realized from piecemeal disposal of the Fixed Assets or from some other alternate uses.

We have valued the Buildings and the Machinery on the basis that each of them is considered individually. Our valuation of the Fixed Assets is the aggregate value of the Buildings and the Machinery and we have not applied any bulk discount.

Having considered the general and inherent characteristics of the Buildings, we are of the opinion that the Buildings are of specialized nature and it is impracticable to ascertain the indication of values of the Buildings on market basis. Our valuation on the Buildings is on the basis of the depreciated replacement cost (DRC), the definition of which is that "DRC is based on an estimate of the Market Value for the existing use of the land, plus the current gross replacement (reproduction) costs of the improvements, less allowances for physical deterioration and all relevant forms of obsolescence and optimization."

The DRC basis is considered as a surrogate for Market Value due to the absence of market based comparison and that the basis is a commonly accepted method in negotiating merger and acquisition in China.

The valuation on the Buildings is on the assumption that the Buildings are subject to the test of adequate potential profitability of the business having due regard to the values of the total assets employed and the nature of operation.

This investigation is concerned solely with the values of the Fixed Assets. Excluded from this investigation are land, supplies, inventories, materials on hand, spare parts and all other tangible assets of current nature and intangible assets that might exist. Our opinions of value are not related to the earning capacity of the business. It is assumed that prospective earnings are adequate to support the concluded value of the Fixed Assets plus the value of other assets not included in this valuation, and sufficient net working capital. This report does not attempt to arrive at the value of Golden Rock as a total business entity.

Our valuation on the market value of the Fixed Assets has been made on the assumption that the Fixed Assets are sold on the open market without the benefit of a deferred terms contract, leaseback, joint venture, management agreement or any similar arrangement that would serve to affect the value of the Fixed Assets. In addition, no account has been taken of any option or right of pre-emption concerning or effecting sales of the Fixed Assets and no forced sale situation in any manner is assumed in our valuation.

No allowance has been made in our valuation for any charges, mortgages or amounts owing on the fixed assets valued nor for any expenses or taxation which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the Fixed Assets are free from encumbrances, restrictions and outgoings of an onerous nature that could affect their values.

Other specific assumptions, if any, have been stated in the footnotes of the valuation certificate.

VALUATION METHODOLOGY & PROCEDURES

Having considered the general and inherent characteristics of the Buildings, we have adopted the depreciated replacement cost ("DRC") method. The DRC method is an application of the Cost Approach in valuing specialized properties and is based on an estimate of the market value for the existing use of the land in the property, and the costs to reproduce or replace in new condition the buildings and structures being valued in accordance with current construction costs for similar buildings and structures in the locality, with allowance for accrued depreciation as evidenced by observed condition or obsolescence present, whether arising from physical, functional or economic causes. The DRC method generally furnishes the most reliable indication of value for property in the absence of a known market based on comparable sales.

In arriving at our opinion of the market value of the Machinery, we have considered the three generally accepted methods to value: the Depreciated Replacement Cost Method, Market Comparable Method and Income Capitalization Method. The theory of each of these methods is outlined as follows:

- *The Depreciated Replacement Cost Method* establishes value based on the cost of reproducing or replacing in new condition the assets appraised in accordance with current market prices for similar assets, with allowance for accrued depreciation arising from condition, utility, age, wear and tear, or physical deterioration and obsolescence present (functional or economic) taking into account past and present maintenance policy and rebuilding history.

  Reproduction Cost New is defined as the estimated current cost of reproducing a new replica of an asset with the same or closely similar materials.

  Replacement Cost New is defined as the estimated current cost of the new asset having the nearest equivalent utility as the asset being appraised.

  Physical Deterioration is the loss in value of an asset from wear and tear of asset in operation and exposure to various elements.

  Functional Obsolescence is the loss in value due to factors inherent in the asset itself and changes in design, materials, or process that result in inadequacy, over capacity, excess construction, lack of functional utility or excess operating costs, etc.

  Economic Obsolescence is an incurable loss in value caused by unfavorable external conditions.

  When market transactions of comparable assets are not available, when data cannot be extrapolated from larger transactions, or when transactions are non-existent, under premise of continued use and assuming adequate earnings, the Depreciated Replacement Cost Method is the preferred appraisal procedure.

- *The Market Comparable Method* involves the collection of market data pertaining to the subject assets being appraised. The primary intent of the Market Comparable Method is to determine the desirability of the assets through recent sales or offerings of similar assets currently on the market in order to arrive at an indication of the most probable selling price for the assets being appraised. If the comparable sales are not exactly similar to the asset being appraised, adjustments must be made to bring them as closely in line as possible with the subject asset.

  Under the premise of continued use assuming adequate earnings, consideration is given to the cost to acquire similar equipment in the used-equipment market; an allowance then is made to reflect the costs for freight and installation.

- *The Income Capitalization Method* considers value in relation to the present worth of future benefits derived from ownership and is usually measured through the capitalization of a specific level of income. This approach is most applicable to investment and general-use properties where there is an established and identifiable rental market.

In any valuation study, all three approaches to value must be considered, as one or more approaches may be applicable to value the subject machinery and equipment. In some situations, elements of two or three approaches may be combined to reach an opinion of value.

In assessing the Machinery, since there is no identified active used-equipment market in the PRC that provides information on recent transactions of comparable items, the Market Comparable Method was not applied. On the other hand, since no identifiable rental income can be attributed to a specific piece of equipment or a group of equipment, the Income Capitalization Method to value was not applied. Therefore, we conclude that the Depreciated Replacement Cost Method is deemed to be the most appropriate method of assessing the Machinery under premise of continued use.

For the assets of standard manufacture, we used current manufacturers' price lists, price quotations and price catalogs to determine the cost of replacement new. Allowances for freight and installation were sometimes required.

For the assets of special design or fabrication, we used current market price for labor, current market price for materials, manufactured components, design fees, engineering fees and contractors' overhead, profit and fee to determine the cost of replacement new. Allowances for freight and installation were sometimes required.

Also, we adopted the assets index factor to estimate the cost of reproduction new of special design or fabrication machinery and equipment. An index factor is applied to the historical cost of valued equipment in order to estimate the current cost of the assets being valued.

The deductions for physical deterioration, functional obsolescence, and economic obsolescence have reflected observed condition; past maintenance and rebuilding history, if any; current use; and planned future utilization.

TITLE INVESTIGATION

We have not been provided by the Company with copies of title documents relating to the Buildings. In the course of our valuation, we have relied on the advice given by the Group regarding the title to the Buildings and the legal opinion dated 25 January 2010 prepared by 山西晉義律師事務所 (Shanxi Jin Yi Law Firm), the Group's legal advisor on PRC law, regarding the title to and the interest of the Group in the Buildings.

We are not able to verify the ownership of the Machinery but we have been provided with copies of receipts regarding some major items of the Machinery. We have assumed no responsibility for the title to the Machinery. Unless otherwise stated, it is assumed that individual items of the Machinery are free from encumbrances, restrictions and outgoings of an onerous nature that could affect their values. It is further assumed that there are no hidden or unapparent conditions of the Machinery that would render them more or less valuable.

LIMITING CONDITIONS

Our valuations have been carried out in accordance with The HKIS Valuation Standards on Properties (1st Edition 2005) issued by the Hong Kong Institute of Surveyors and under generally accepted valuation procedures and practices, which are in compliance with the requirements set out in Chapter 5 and Practice Note 12 of the Rules Governing the Listing of Securities issued by The Stock Exchange of Hong Kong Limited.

We have carried out inspections of the Fixed Assets in the period from 7 December to 8 December 2009. We have inspected the exterior and, where possible, the interior of the Buildings. However, no structural survey has been made nor have any tests been carried out on any of the building services provided in the Buildings. We are, therefore, not able to report that the Buildings is free from rot, infestation or any other structural defects. Yet, in the course of our inspection, we did not note any serious defects.

We have not conducted detailed on-site measurement to verify the correctness of the floor areas of the Buildings but have assumed that the areas shown on the documents made available to us are correct. Dimensions, measurements and areas included in the valuation certificate attached are based on information contained in the documents provided to us by the Group and are therefore approximations only.

We have relied to a considerable extent on the information and advices made available to us by Golden Rock Group on such matters as planning approvals, statutory notices, easements, tenure, particulars of occupancy, site and floor areas and all other relevant matters in the identification of the Buildings. We have not seen original planning consents and have assumed that the Buildings will be erected, occupied and used in accordance with such consents.

We have personally conducted an ocular physical inspection of the Machinery, investigated market condition, interviewed personnel, and examined documents and specifications provided to us before arriving at our opinion of defined value. At the time of our inspection, the Machinery were observed to be generally in good working condition and properly maintained. Hence, we have assumed that the Machinery can perform efficiently according to the purposes for which it was designed and built.

We have accepted the records of the Machinery furnished to us by Golden Rock Group as properly describing the Machinery, their costs and their acquisition dates. We have relied to a considerable extent on such records, listings, specifications and documents in arriving at our opinion of value.

Any deferred maintenance, physical wear and tear, operating malfunctions, lack of utility, or other observable conditions distinguishing the Machinery from assets of like kind in new condition were noted and made part of our judgment in arriving at the value.

We have not investigated any industrial safety, environmental and health-related regulations in association with this particular manufacturing process. It is assumed that all necessary licenses, procedures, and measures were implemented in accordance with the government legislation and guidance.

We have not investigated any financial data pertaining to the present or prospective earning capacity of the operation in which the Machinery is used. It was assumed that prospective earnings would provide a reasonable return on the fair market value of the Machinery, plus the value of any assets not included in this valuation, and adequate net working capital.

This valuation reflects facts and conditions existing at the Date of Valuation. Subsequent events have not been considered and we are not required to update our report for such events and conditions.

To the best of our knowledge, all data set forth in this report are true and accurate. The data, opinions, or estimates identified as being furnished by others which have been used in formulating this analysis are gathered from reliable sources, yet, no guarantee is made nor liability assumed for their accuracy.

We have had no reason to doubt the truth and accuracy of the information provided to us by the Group and Golden Rock Group. We were also advised that no material facts have been omitted from the information provided. We consider that we have been provided with sufficient information to reach an informed view, and have no reason to suspect that any material information has been withheld.

REMARKS

Unless otherwise stated, all monetary amounts stated in the valuation certificate are in Renminbi (RMB).

We hereby confirm that we have neither present nor prospective interests in the Group, Golden Rock Group, the Fixed Assets, or the values reported herein.

Our valuation certificate is attached.

Yours faithfully,
For and on behalf of
B.I. APPRAISALS LIMITED

William C. K. Sham
Registered Professional Surveyor (G.P.)
China Real Estate Appraiser
MRICS, MHKIS, MCIREA
Executive Director

Note: Mr. William C. K. Sham is a qualified valuer on the approved List of Property Valuers for Undertaking Valuation for Incorporation or Reference in Listing Particulars and Circulars and Valuations in Connection with Takeovers and Mergers published by the Hong Kong Institute of Surveyors. Mr. Sham has over 25 years' experience in the valuation of properties in Hong Kong and has over 10 years' experience in asset valuation in the People's Republic of China and the Asia Pacific regions.

VALUATION CERTIFICATE

Fixed Assets	Description	Particulars of occupancy	Market value in existing state as at 31 December 2009
The fixed assets held by Golden Rock Group in its coking plant located at No. 1 Jinyan Road, Wutong Industrial Coke Chemical Park, Xiaoyi City, Shanxi Province, the PRC	The fixed assets comprise buildings and structures (the "Buildings") together with the machines, equipment and vehicles (the "Machinery") for the production of coke and the coal-processing chemical by-products located within the coking plant of Golden Rock Group at Xiaoyi City, Shanxi Province. The Buildings include 40 blocks of 1 to 4-storey major buildings for office, workshop, warehouse, pump house, electricity distributions uses and various blocks of ancillary structures in the coking plant within the industrial complex of Golden Rock Group. The Buildings were completed in the period between 2004 and 2008. The total gross floor area of the major buildings is approximately 19,787.05 sq.m. (212,988 sq.ft.). The Machinery comprises machines, equipment and vehicles for coke and chemical by-products productions together with the ancillary equipment in the industrial complex. Major items of the Machinery include coking furnaces (with production capacity of 800,000 ton per annual), coke pushers, coke-blocking cars, coke-cooling cars, coal gas recovery car, dust collecting car, coal feeders, crushers, tampers, conveyors, cooling towers, axial fans, de-sulfur towers, steaming ammonia tower, regeneration towers, diesel boilers, oxygen generators, dust collection systems, air fan, compressors, vibrators, humidification unloading machine, pre-spray system, town gas storage tank, conveyor belts, pumps, piping, electrical distribution system, office equipment, transportation equipment and trucks. The various items of the Machinery were acquired in the period between 2004 and 2008, the origin of most of which are from the PRC.	The Fixed Assets are currently occupied by Golden Rock Group for the production of coke and coal-processing chemical by-products.	RMB644,100,000 (See Note 4 below)

VALUATION CERTIFICATE

Notes:

(1) We have not been provided with any title documents regarding the Building and have been confirmed by Golden Rock Group that the Buildings were built by Golden Rock Group on the subject site, which is leased from Xiaoyi City Hedi Villagers Committee.

(2) The legal opinion of Shanxi Jin Yi Law Firm dated 25 January 2010 is summarized as follows:

(a) As the Buildings were built by Golden Rock Group, the ownership of the Buildings is naturally vested in Golden Rock Group and there is no dispute with other third party in such ownership.

(b) Though Golden Rock Group has not yet registered the ownership of the Buildings; protection of its ownership under the PRC law is not prejudiced.

(c) The Buildings are free from any third party rights and are not distrained upon by any judicial and arbitration authorities nor being subject to administrative penalty from local government on such reason as illegal construction. There is no limitation in the right to use the Buildings.

(d) According to Article 68 of【中華人民共和國物權法】(Law on Property Rights of the PRC), which states that "business enterprise enjoys, in accordance with the law and administrative regulations, the rights to occupy, use, make profit and dispose of its current and fixed assets", Golden Rock Group has the right to transfer to GRG Huscoke (Shan Xi) Ltd. the Buildings.

(3) We have relied on the information provided by the Company, Golden Rock Group and the aforesaid legal opinion and prepared our valuation on the following assumptions:

(a) Golden Rock is in possession of the proper legal title to the ownership of the buildings and structures being valued.

(b) The Buildings has been constructed, occupied and used in full compliance with, and without contravention of all ordinances, except only where otherwise stated.

(c) All consents, approvals, required licences, permits, certificates and authorizations have been obtained, except only where otherwise stated, for the use of the Buildings upon which our valuation is based.

VALUATION CERTIFICATE

(4) The breakdown of market value for the Buildings and the Machinery are RMB149,300,000 and RMB494,800,000 respectively, details of which are as follows:

Fixed Assets	**Market value** *(RMB)*	**Sub-total** *(RMB)*
The Buildings		149,300,000
The Machinery		494,800,000
Coking furnaces	343,000,000	
Other machinery and equipment for coke production	29,500,000	
Machinery and equipment in Coke Dust Gathering Station	12,200,000	
Chemical Plant	88,600,000	
Electrical Equipment	18,900,000	
Transport Equipment	2,600,000	

(5) The status of title and grant of major approvals, consents or licences in accordance with the information provided by the Company and the aforesaid legal opinion are as follows:

Certificates of State-owned Land Use	No
Certificate of Building Ownership	No

The following is the text of a letter, summary of values and valuation certificates, prepared for the purpose of incorporation in this circular received from Jones Lang B.I. Appraisals Limited, an independent valuer, in connection with its valuations as at 31 December 2009 of the property interests of the Enlarged Group.

B.I.
To Know Your Strength Better

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29 January 2010

The Directors
Huscoke Resources Holdings Limited
Room 4205, 42nd Floor
Far East Finance Centre
16 Harcourt Road
Hong Kong

Dear Sirs,

Re: The properties held by Huscoke Resources Holdings Limited and/or its subsidiaries in Hong Kong and in the People's Republic of China (the "PRC")

In accordance with the instructions from Huscoke Resources Holdings Limited (hereinafter referred to as the "Company") for us to value the captioned properties (hereinafter referred to as the "Properties"), which are held by the Company and/or its subsidiaries (hereinafter collectively referred to as the "Group"), we confirm that we have carried out inspections, made relevant enquiries and obtained such further information as we consider necessary for the purpose of providing you with our opinion of value of each of the Properties as at 31 December 2009 (hereinafter referred to as the "Date of Valuation").

It is our understanding that this valuation document is to be used by the Company for disclosure purpose.

This letter, forming part of our valuation report, identifies the properties being valued; explains the basis and methodology of our valuation; lists out the assumptions, the title investigation and the limiting conditions made in the course of our valuations; and states our opinion of values.

BASIS OF VALUATION AND ASSUMPTIONS

The objective of our valuations is to provide an independent opinion of value of each of the Properties as at the Date of Valuation.

According to the International Valuation Standard (8th Edition 2007), which is also adopted by Hong Kong Institute of Surveyors, there are two valuation bases, namely, market value basis and valuation bases other than market value. Our valuations of the Properties are on market value basis.

The term "Market Value" is define as "the estimated amount for which a property should exchange on the Date of Valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion."

Our valuation on the market value of each of the Properties has been made on the assumption that the property is sold on the open market without the benefit of a deferred terms contract, leaseback, joint venture, management agreement or any similar arrangement that would serve to affect the value of such property. In addition, no account has been taken of any option or right of pre-emption concerning or effecting sales of the property and no forced sale situation in any manner is assumed in our valuation.

No allowance has been made in our valuation for any charges, mortgages or amounts owing on the property valued nor for any expenses or taxation which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the Properties are free from encumbrances, restrictions and outgoings of an onerous nature that could affect their values.

Other specific assumptions, if any, have been stated in the footnotes of the valuation certificate.

VALUATION METHODOLOGY

In arriving at our opinion of value of the property in Group I, which is held and occupied by the Group in Hong Kong, we have adopted the Direct Comparison Method assuming such property is capable of being sold in existing state with the benefit of immediate vacant possession. Comparison based on prices realized on actual sales of comparable properties is made. Comparable properties of similar size, character and location are analyzed and carefully weighted against all the respective advantages and disadvantages of the properties in order to arrive at a fair comparison of value.

In arriving at our opinion of value of the property in Group II, which is held for investment by the Group in Hong Kong, we have adopted the Investment Method, which is normally adopted for valuing leased property. The market value of such property is the aggregate amount of its term value, which is calculated by capitalizing the existing rent at the market-determined equivalent yield, and its reversionary value, which derives from the lease renewal/new letting based on market rent or from the disposal based on the current market price. As the main variables of the investment method are determined in the market, it is typical a comparison method and does not involve any profit forecast factors.

The properties in Group III and Group IV, the land use rights of which are obtained by leasehold arrangement, are considered to have no commercial value due mainly to the prohibition against assignment or sub-letting or otherwise due to the lack of substantial profit rents.

TITLE INVESTIGATION

We have caused land searches to be made at the Land Registry for the properties in located in Hong Kong. However, we have not scrutinized the original documents to ascertain ownership or to verify any amendments that may not appear on the copies handed to us. All documents and leases have been used for reference only.

Regarding the properties in Group III and Group IV, we have been provided with copies of documents related to its title and copies of the two legal opinions dated 31 October 2008 and 25 January 2010 prepared by 山西晉義律師事務所 (Shanxi Jin Yi Law Firm), the Group's legal advisor on PRC law, regarding the title to and the interest of the Group in such properties. In the course of our valuations, we have relied on the advice given by the Group and its legal advisor. We assume no responsibility for matters legal in nature nor do we render any opinion as to the title to these properties that is assumed to be good and marketable.

LIMITING CONDITIONS

Our valuations have been carried out in accordance with The HKIS Valuation Standards on Properties (1st Edition 2005) issued by the Hong Kong Institute of Surveyors and under generally accepted valuation procedures and practices, which are in compliance with the requirements set out in Chapter 5 and Practice Note 12 of the Rules Governing the Listing of Securities issued by The Stock Exchange of Hong Kong Limited.

We have inspected the exterior and, where possible, the interior of the Properties. However, no structural survey has been made nor have any tests been carried out on any of the building services provided in the Properties. We are, therefore, not able to report that the Properties are free from rot, infestation or any other structural defects. Yet, in the course of our inspections, we did not note any serious defects.

We have not conducted detailed on-site measurement to verify the correctness of the site and floor areas of the Properties but have assumed that the areas shown on the documents made available to us are correct. Dimensions, measurements and areas included in the valuation certificates attached are based on information contained in the documents provided to us by the Group and are therefore approximations only.

We have relied to a considerable extent on the information and advices made available to us by the Group on such matters as planning approvals, statutory notices, easements, tenure, particulars of occupancy, site and floor areas and all other relevant matters. We have not seen original planning consents and have assumed that the Properties have be erected, occupied and used in accordance with such consents.

This valuation reflects facts and conditions existing at the Date of Valuation. Subsequent events have not been considered and we are not required to update our report for such events and conditions.

To the best of our knowledge, all data set forth in this report are true and accurate. The data, opinions, or estimates identified as being furnished by others which have been used in formulating this analysis are gathered from reliable sources, yet, no guarantee is made nor liability assumed for their accuracy.

We have relied to a considerable extent on the information and advices made available to us by the Group in preparing this report. We have had no reason to doubt the truth and accuracy of the information provided to us by the Group. We were also advised that no material facts have been omitted from the information provided. We consider that we have been provided with sufficient information to reach an informed view, and have no reason to suspect that any material information has been withheld.

CURRENCY

Unless otherwise stated, all monetary amounts stated in the valuation certificates are in Hong Kong dollars (HK$).

REMARKS

We hereby confirm that we have neither present nor prospective interests in the Group, the Properties, or the values reported herein.

Our valuations are summarized below and the valuation certificates are attached.

Yours faithfully,
For and on behalf of
B.I. APPRAISALS LIMITED

William C. K. Sham
Registered Professional Surveyor (G.P.)
China Real Estate Appraiser
MRICS, MHKIS, MCIREA
Executive Director

Note: Mr. William C. K. Sham is a qualified valuer on the approved List of Property Valuers for Undertaking Valuation for Incorporation or Reference in Listing Particulars and Circulars and Valuations in Connection with Takeovers and Mergers published by the Hong Kong Institute of Surveyors. Mr. Sham has over 25 years' experience in the valuation of properties in Hong Kong and has over 10 years' experience in asset valuation in the People's Republic of China and the Asia Pacific regions.

SUMMARY OF VALUES

Property	Market value in existing state as at 31 December 2009 *(HK$)*
Group I – Property held and occupied by the Group in Hong Kong	
1. Portion of Units Nos. 4203-4 (currently re-designated as Units 4203, 4205 and 4208) on 42nd Floor, Far East Finance Centre, No. 16 Harcourt Road, Hong Kong	85,000,000
Group II – Property held for investment by the Group in Hong Kong	
2. The remaining portion of Units Nos. 4203-4 (currently re-designated as Unit 4206) on 42nd Floor, Far East Finance Centre, No. 16 Harcourt Road, Hong Kong	37,000,000
Group III – Leasehold property occupied by the Group in the PRC	
3. The coal washing, power and warming heat supply plants and the premises of transportation team of GRG Huscoke (Shan Xi) Ltd. in an industrial complex located at No. 1 Jinyan Road, Wutong Industrial Coke Chemical Park, Xiaoyi City, Shanxi Province, the PRC	No commercial value
Group IV – Leasehold property to be acquired by the Enlarged Group in the PRC	
4. The coking plant in an industrial complex located at No. 1 Jinyan Road, Wutong Industrial Coke Chemical Park, Xiaoyi City, Shanxi Province, the PRC	No commercial value
Total:	**122,000,000**

VALUATION CERTIFICATE

Group I – Property held and occupied by the Group in Hong Kong

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 31 December 2009
1. Portions of Units Nos. 4203-4 (currently re-designated as Units 4203, 4205, 4206 and the corridor thereof) on 42nd Floor, Far East Finance Centre, No. 16 Harcourt Road, Hong Kong Part of 138/13200th equal and undivided parts or shares of and in Inland Lot No. 8466	Far East Finance Centre, completed in about 1982 comprises a 44-storey commercial building erected over two levels of basement car park and is located on the southwestern side of Harcourt Road at its junction with Cotton Tree Drive. It falls within a "Commercial" zone on Central Outline Zoning Plan No. S/H4/12 dated 18 February 2003. Units 4203-4 form approximately half of the 42nd Floor of the subject building which has been subdivided into four units re-designated as 4203, 4205, 4206 and 4208 and a corridor. The property comprises 4203, 4205 and 4208 together with the corridor. The saleable area of the property is approximately 299.70 sq.m. (3,226 sq.ft.). Inland Lot No. 8466 is held from the Government under Conditions of Sales No. 11418 for a term of 75 years renewable for a further term of 75 years commenced from 23 July 1980. The Government Rent for the whole lot is $1,000 per annum.	The property is occupied by Huscoke Group for office use.	$85,000,000

Notes:

1) The registered owner of the property is Ocean Signal Limited via an assignment dated 7 December 2007, registered vide Memorial No. 08010401070015 at a consideration of $90,000,000.

2) The property is subject to the following encumbrances registered in The Land Registry:

   a) Mortgage for a consideration of all moneys in favour of The Hongkong and Shanghai Banking Corporation Limited vide Memorial No. 08010401070022 dated 7 December 2007; and

   b) Rental Assignment in favour of The Hongkong and Shanghai Banking Corporation Limited vide Memorial No. 08010401070037 dated 7 December 2007.

VALUATION CERTIFICATE

Group II – Property held for investment by the Group in Hong Kong

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 31 December 2009
2. The remaining portion of Units Nos. 4203-4 (currently re-designated as Units 4206) on 42nd Floor, Far East Finance Centre, No. 16 Harcourt Road, Hong Kong Part of 138/13200th equal and undivided parts or shares of and in Inland Lot No. 8466	Far East Finance Centre, completed in about 1982 comprises a 44-storey commercial building erected over two levels of basement car park and is located on the southwestern side of Harcourt Road at its junction with Cotton Tree Drive. It falls within a "Commercial" zone on Central Outline Zoning Plan No. S/H4/12 dated 18 February 2003. Units 4203-4 form approximately half of the 42nd Floor of the subject building which has been subdivided into four units re-designated as 4203, 4205, 4206 and 4208 and a corridor. The property comprises 4206. The saleable area of the property is approximately 126.16 sq.m. (1,358 sq.ft.). Inland Lot No. 8466 is held from the Government under Conditions of Sales No. 11418 for a term of 75 years renewable for a further term of 75 years commenced from 23 July 1980. The Government Rent for the whole lot is $1,000 per annum.	The property is tenant-occupied and subject to a monthly tenancy at a monthly rent of $55,000 exclusive of air-conditioning and management fees.	$37,000,000

Notes:

1) The registered owner of the property is Ocean Signal Limited via an assignment dated 7 December 2007, registered vide Memorial No. 08010401070015 at a consideration of $90,000,000.

2) The property is subject to the following encumbrances:

   a) Mortgage for a consideration of all moneys in favour of The Hongkong and Shanghai Banking Corporation Limited dated 7 December 2007, registered vide Memorial No. 08010401070022; and

   b) Rental Assignment in favour of The Hongkong and Shanghai Banking Corporation Limited dated 7 December 2007, registered vide Memorial No. 08010401070037.

VALUATION CERTIFICATE

Group III – Leasehold property occupied by the Group in the PRC

Property	Description	Particulars of occupancy	Market value in existing state as at 31 December 2009
3. The coal washing, power and warming heat supply plants and the premises of transportation team of GRG Huscoke (Shan Xi) Ltd. in an industrial complex located at No. 1 Jinyan Road, Wutong Industrial Coke Chemical Parks, Xiaoyi City, Shanxi Province, the PRC	The property comprises various blocks of buildings and structures erected over various plots of land with an aggregate site area of approximately 98 mu or 65,333.66 sq.m. (703,252 sq.ft.) for coal washing, electricity and warming heat supply and transportation services for coal and ancillary products located within an industrial complex in Xiaoyi City, Shanxi Province. The property includes 17 blocks of 1 to 7-storey major buildings for office, workshop, warehouse, pump house, electricity distributions uses and various blocks of ancillary structures. The buildings and structures were completed in about 2007. The total gross floor area of the major buildings is approximately 29,147.56 sq.m. (313,744 sq.ft.).	The property is currently occupied by the GRG Huscoke (Shan Xi) Ltd. for coal washing, electricity and warming heat supply and transportation services for coal and ancillary materials.	No commercial value (See Note 6 below)

Notes:

1) Pursuant to the Contract for Lease of Land dated 30 April 2003 entered into between 梧桐鎮河底村民委員會 (Wutong Town Hedi Villagers Committee) and Xiaoyi City Golden Rock Electricity Coal Chemical Company Limited, the land in the property was agreed to be leased to Xiaoyi City Golden Rock Electricity Coal Chemical Company Limited for a term of 30 years from 1 May 2003 to 30 April 2033 at a rent of RMB1,000 per mu payable bi-annually.

2) Pursuant to a letter dated 9 November 2006 from the People's Government of Xiaoyi City, approvals regarding the use of land from relevant authorities were granted to Xiaoyi City Golden Rock Electricity Coal Chemical Company Limited for the construction of the subject coal washing, power and warming heat supply plants and the premises of transportation team on the existing site, and Xiaoyi City Golden Rock Electricity Coal Chemical Company Limited could proceed with the land registration at the State-owned Land Use Bureau.

3) Pursuant to the Contract for Lease of Land dated 19 August 2008 entered into between Xiaoyi City Golden Rock Electricity Coal Chemical Company Limited (the "Lessor"), and GRG Huscoke (Shan Xi) Ltd. (the "Lessee"), the land in the property is leased to the Lessee at an annual rent of RMB196,000, for a term of 20 years from 1 September 2008 to 30 August 2028.

4) We have been advised by the Company that GRG Huscoke (Shan Xi) Ltd. is a 90%-owned subsidiary of the Company.

5) The legal opinion of Shanxi Jin Yi Law Firm dated 31 October 2008 is summarized as follows:

a) GRG Huscoke (Shan Xi) Ltd. is in possession of the land use rights of land in the property and the ownership of the buildings and structures erected thereon.

b) GRG Huscoke (Shan Xi) Ltd. is not entitled to sub-let, transfer or mortgage the land use rights of land in the property.

c) GRG Huscoke (Shan Xi) Ltd. has not registered its land use rights nor obtained the land use certificates for the land. Yet its land use rights obtained by way of lease are protected under the PRC Laws.

d) GRG Huscoke (Shan Xi) Ltd. is entitled to the ownership of the buildings and structures in the property and its ownership is protected under the PRC Laws.

6) Due to the leasehold nature of the land, no commercial value has been ascribed to the property. For indication purpose only, the depreciated replacement cost of building improvements erected on the land as at the Date of Valuation was approximately RMB162,100,000.

VALUATION CERTIFICATE

Group IV – Leasehold property to be acquired by the Enlarged Group in the PRC

Property	Description	Particulars of occupancy	Market value in existing state as at 31 December 2009
4. The coking plant in an industrial complex located at No. 1 Jinyan Road, Wutong Industrial Coke Chemical Park, Xiaoyi City, Shanxi Province, the PRC	The property comprises various blocks of buildings and structures erected over a parcel of land with site area of approximately 235.4 mu or 156,934.12 sq.m. (1,689,239 sq.ft.) for coke processing and located within an industrial complex at No. 1 Jinyan Road, Wutong Industrial Coke Chemical Park, Xiaoyi City, Shanxi Province. The coking plant includes 40 blocks of 1 to 4-storey major building for office, workshop, warehouse, pump house, electricity distributions uses and various blocks of ancillary structures. The buildings and structures were completed in the period between 2004 and 2008. The total gross floor area of the major buildings is approximately 19,787.05 sq.m. (212,988 sq.ft.).	The property is currently occupied by Xiaoyi City Golden Rock Electricity Coal Chemical Company Limited for coke processing use. (See Note 3 below)	No commercial value (See Note 5 below)

Notes:

1) Pursuant to the Contract for Lease of Land dated 1 July 2003 entered into between 東許辦事處河底村村民委員會 (Dong Xu Office Hedi Village Villagers Committee) and Xiaoyi City Golden Rock Electricity Coal Chemical Company Limited, the land in the property was agreed to be leased to Xiaoyi City Golden Rock Electricity Coal Chemical Company Limited for a term of 30 years from 1 July 2003 to 30 June 2033.

2) Pursuant to a letter dated 5 November 2006 from the People's Government of Xiaoyi City, approvals regarding the use of land from relevant authorities were granted to Xiaoyi City Golden Rock Electricity Coal Chemical Company Limited for the construction of the subject coking plant on the existing site, and Xiaoyi City Golden Rock Electricity Coal Chemical Company Limited could proceed with the land registration at the State-owned Land Use Bureau.

3) We have been advised by the Company that upon completion of the acquisition of the Coke Processing Assets, GRG Huscoke (Shan Xi) Ltd., a 90%-owned subsidiary of the Company, will enter into a lease with Xiaoyi City Golden Rock Electricity Coal Chemical Company Limited for leasing the land in the property. As the formal lease agreement has not yet been signed, we are not able to report further details on the terms and conditions thereof.

4) The legal opinion of Shanxi Jin Yi Law Firm dated 25 January 2010 is summarized as follows:

   a) The land use rights of the property have been obtained by Xiaoyi City Golden Rock Electricity Coal Chemical Company Limited by way of circulation of rural collective construction land (流轉農村集體建設用地), which is in compliance with the land use policy of the PRC Government. Though Xiaoyi City Golden Rock Electricity Coal Chemical Company Limited has not registered its ownership, the land use rights of the property is protected by the PRC laws.

   b) Xiaoyi City Golden Rock Electricity Coal Chemical Company Limited is entitled to transfer or lease the land use rights to GRG Huscoke (Shan Xi) Ltd.

5) Due to the leasehold nature of the land, no commercial value has been ascribed to the property. For indication purpose only, the depreciated replacement cost of building improvements erected on the land as at the Date of Valuation was approximately RMB149,300,000.

RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Group. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, there are no other facts the omission of which would make any statement contained in this circular misleading.

SHARE CAPITAL

As at the Latest Practicable Date, the authorised and issued share capital of the Company are as follows:

Authorised share capital

Shares		*HK$*
20,000,000,000	(as at the Latest Practicable Date)	2,000,000,000

Issued and fully paid up

Shares		*HK$*
3,505,426,292	(as at the Latest Practicable Date)	350,542,629

DISCLOSURE OF INTERESTS

(a) Director's and chief executive's interests in the Company

As at the Latest Practicable Date, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which (i) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules, were as follows:

Long positions in the Shares

Name of Director	*Note*	**Number of Shares held**	**Percentage of the Company's existing issued share capital (%)**
Wu Jixian	*(a)*	450,000,000	12.84
To Wing Tim, Paddy	*(b)*	660,000	0.02

Long positions in the underlying Shares

Name of Director	*Note*	**Number of Shares held**	**Percentage of the Company's existing issued share capital (%)**
Wu Jixian	*(a)*	2,477,900,000	70.69
Li Baoqi	*(c)*	4,500,000	0.13
Cheung Ka Fai	*(d)*	3,600,000	0.10

Note:

(a) As at the Latest Practicable Date, Mr. Wu Jixian, an executive Director, beneficially owned 450,000,000 Shares, he was also interested in convertible bonds in the aggregate principal amount of HK$989,000,000, which were convertible into 2,472,500,000 Shares. Mr. Wu was also entitled to share options to subscribe for a maximum of 5,400,000 Shares upon exercise of the options in full.

(b) Among the 660,000 Shares held by Mr. To Wing Tim, Paddy, an independent non-executive Director, 100,000 Shares were held by Mr. To as beneficial owner and 560,000 Shares held by Ms. Leung Yuet Mei, the spouse of Mr. To. Accordingly, Mr. To was deemed to be interested in the said 660,000 Shares under Part XV of the SFO.

(c) As at the Latest Practicable Date, Mr. Li Baoqi, an executive Director was entitled to share options to subscribe for a maximum of 4,500,000 Shares upon exercise of the options in full.

(d) As at the Latest Practicable Date, Mr. Cheung Ka Fai, an executive Director was entitled to share options to subscribe for a maximum of 3,600,000 Shares upon exercise of the options in full.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors nor the chief executive of the Company had or was deemed to have any interests and short positions in the shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which (i) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules.

As at the Latest Practicable Date, none of the Director was a director or an employee of a company which has an interest or short in the Shares and underlying Shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

(b) Substantial shareholders

So far as is known to the Directors and the chief executive of the Company, as at the Latest Practicable Date, no persons (not being Directors or chief executive of the Company) had, or were deemed to have, interests or short positions in the Shares or underlying Shares of the Company which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or, who were, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Enlarged Group.

DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contracts with any member of the Group which would not expire or was not determinable by the relevant member of the Group within one year without payment of compensation (other than statutory compensation).

LITIGATION

As at the Latest Practicable Date, neither the Company nor any members of the Enlarged Group was engaged in any litigation or arbitration of material importance and no litigation or claim of material importance are known to the Directors to be pending or threatened by or against the Company or any members of the Enlarged Group.

COMPETING BUSINESSES

As at the Latest Practicable Date, none of the Directors and his/her respective associates was considered to have an interest in a business which competes or is likely to compete, either directly or indirectly, with the business of the Group other than the Group's businesses and/or those businesses to which the Directors and his/her respective associates were appointed to represent the interests of the Company and/or the Group.

DIRECTORS' INTEREST IN CONTRACTS

None of the Directors was materially interested in any contract or arrangement entered into by any member of the Enlarged Group subsisting at the Latest Practicable Date which was significant in relation to the business of the Enlarged Group.

DIRECTORS' INTEREST IN ASSETS

As at the Latest Practicable Date, none of the Directors had any direct or indirect interests in any assets which had been acquired or disposed of by or leased to any member of the Enlarged Group or were proposed to be acquired or disposed of by or leased to any member of the Enlarged Group since 31 December 2008, being the date to which the latest published audited consolidated accounts of the Group were made up.

MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors are not aware of any material adverse change in the financial or trading position of the Group since 31 December 2008, being the date to which the latest published audited consolidated financial statements of the Group were made up.

MATERIAL CONTRACTS

The following contracts (not being contracts in the ordinary course of business) were entered into by the Enlarged Group within the two years immediately preceding the Latest Practicable Date and are or may be material:

(a) the Sale and Purchase Agreement;

(b) a sale and purchase agreement dated 19 August 2009 entered into between Frankie Dominion (B.V.I.) Company Limited, an indirect wholly-owned subsidiary of the Company, as vendor and Diamond Link Enterprises Limited, as purchaser in relation to the disposal of entire issued ordinary share capital of Frankie Dominion (Holdings) Limited at a consideration of HK$60,000,000;

(c) a sale and purchase agreement dated 18 June 2009 entered into between Huscoke International Group Limited as vendor and Leadstar Development Limited as purchaser in relation to the disposal of a property at Offices 1613 to 1615, Tower Two, Lippo Centre, 89 Queensway, Hong Kong by the Group at a consideration of HK$27,020,000 and the relevant deed of assignment dated 18 August 2009;

(d) a deed of indemnity dated 31 October 2008 entered into by Mr. Wu Jixian ("**Mr. Wu**") in favor of Rich Key Enterprises Limited ("**Rich Key**"), an indirect wholly-owned subsidiary of the Company, and its subsidiaries in respect of, among other, taxation liabilities;

(e) a deed of assignment dated 31 October 2008 entered into among Mr. Wu as assignor, Joy Wisdom International Limited ("**Joy Wisdom**"), as borrower and Rich Key as assignee in relation to the assignment of the shareholder's loan in the amount of HK$450 million;

(f) a supplemental agreement to the April 2008 Agreement (as defined below) dated 30 October 2008 and entered into between the parties to the April 2008 Agreement in relation to the extension of the long stop date under the said agreement to 31 January 2009;

(g) a supplemental agreement to an acquisition agreement dated 11 January 2008 ("**Jan 2008 Agreement**") and made among Mr. Wu as vendor, Rich Key as purchaser and the Company as warrantor of the purchaser in relation to the acquisition of the entire issued share capital in, and certain shareholders loan to each of Pride Eagle Investments Limited and Joy Wisdom, by Rich Key from Mr. Wu at a consideration of HK$2,400,000,000. Such supplemental agreement was dated 29 September 2008 and entered into between the parties to the Jan 2008 Agreement in relation to the extension of the long stop date for the second acquisition as referred to and under the said agreement to 31 October 2008;

(h) the sale and purchase agreement dated 25 August 2008 entered into between Frankie Dominion (B.V.I.) Company Limited as vendor and Speedway International Investment Limited as purchaser in relation to the disposal of the entire issued share capital in Big Field (B.V.I.) Limited at a consideration of HK$36,000,000;

(i) a supplemental agreement to the Jan 2008 Agreement dated 30 July 2008 and entered into between the parties to the Jan 2008 Agreement in relation to the extension of the long stop date for the second acquisition as referred to and under the said agreement to 30 September 2008;

(j) a deed of indemnity dated 16 May 2008 entered into by Mr. Wu in favor of Rich Key and its subsidiaries in respect of, among other, taxation liabilities;

(k) a deed poll dated 16 May 2008 entered into by the Company constituting up to HK$2,200 million zero coupon convertible bonds;

(l) an agreement dated 21 April 2008 ("**April 2008 Agreement**") and made among Mr. Wu as vendor, Rich Key as purchaser, and the Company as warrantor of the purchaser in relation to the proposed acquisition of the entire issued share capital in, and certain shareholders loan to, Oden Group Limited, by Rich Key from Mr. Wu at a consideration of HK$2,400,000,000 (this agreement lapsed on 31 January 2009);

(m) an agreement dated 21 April 2008 and made between Mr. Wu and Huscoke Coal Chemical Group Limited in relation to the proposed formation of a company in the PRC and vesting of certain assets to such PRC company for the operation of certain coal processing business;

(n) a supplemental agreement to the Jan 2008 Agreement dated 30 May 2008 and entered into between the parties to the Jan 2008 Agreement in relation to the extension of the long stop date for the second acquisition as referred to and under the said agreement to 31 July 2008;

QUALIFICATION AND CONSENT OF EXPERTS

The following is the qualification of the experts ("**Experts**") who have given opinion or advice contained in this circular:

Name	Qualifications
HLB Hodgson Impey Cheng	Chartered Accountants Certified Public Accountants
B.I. Appraisals Limited	Registered Professional Surveyors, Valuers & Property Consultants

Each of the Experts has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter/statements/certificates/report/opinion (as the case may be) and references to its name in the form and context in which it appears.

As at the Latest Practicable Date, each of the Experts has confirmed that it does not have any shareholding interest in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

As at the Latest Practicable Date, each of the Experts has confirmed that it does not have any direct or indirect interests in any assets which have been, since 31 December 2008 (being the date to which the latest published audited consolidated accounts of the Group were made up), acquired or disposed of by or leased to any member of the Enlarged Group, or which are proposed to be acquired or disposed of by or leased to any member of the Enlarged Group.

MISCELLANEOUS

(a) The registered office of the Company is Canon's Court, 22 Victoria Street, Hamilton HM12, Bermuda.

(b) The head office and the principal office of the Company in Hong Kong is Room 4205, Far East Finance Center, 16 Harcourt Road, Admiralty, Hong Kong.

(c) The company secretary of the Company is Mr. Cheung Ka Fai. He is a fellow of the Association of Chartered Certified Accountants, an associate of the Hong Kong Institute of Certified Public Accounts. Mr. Cheung obtained his Bachelor degree in accountancy from the Hong Kong Polytechnic University and his Master degree in business administration from the University of Bradford.

(d) The share registrar and transfer office of the Company is Tricor Secretaries Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong.

(e) The English text of this circular and the form of proxy shall prevail over the Chinese text for the purpose of interpretation.

DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection during normal business hours from 9:00 a.m. to 5:00 p.m. (except Saturdays, Sundays and public holidays) at the principal office of the Company in Hong Kong at Room 4205, Far East Finance Center, 16 Harcourt Road, Admiralty, Hong Kong from the date of this circular up to and including the date of the SGM:

(a) the memorandum of association and the bye-laws of the Company;

(b) the annual reports of the Company for the two financial years ended 31 December 2007 and 31 December 2008;

(c) the comfort letter and the unaudited pro forma financial information on the Enlarged Group, the text of which are as set out in Appendix III to this circular;

(d) the Valuation Report on the Coke Processing Assets (including the letter and valuation certificate) prepared by the HK Valuers, the texts of which are set out in Appendix IV to this circular;

(e) the Valuation Report on the Enlarged Group (including the letter, summary of values and valuation certificates) prepared by the HK Valuers, the texts of which are set out in Appendix V to this circular;

(f) the material contracts referred to in the section headed "Material Contracts" in this Appendix VI;

(g) the written consents referred to in the section headed "Qualification and Consent of Experts" in this Appendix VI; and

(h) this circular.

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

NOTICE OF SGM

NOTICE IS HEREBY GIVEN THAT a special general meeting of Husocke Resources Holdings Limited (the "**Company**") will be held at 10:30 a.m. on Monday, 22 February 2010 at Vinson Room, Pacific Place Conference Centre, 5/F, One Pacific Place, 88 Queensway, Hong Kong for the purpose of considering and, if thought fit, passing (with or without modifications) the following resolution of the Company:

ORDINARY RESOLUTION

"**THAT** the Sale and Purchase Agreement (as defined in the Company's circular dated 29 January 2010 of which this notice of special general meeting forms part) relating to the Acquisition (as defined in the said circular) by GRG Huscoke (Shan Xi) Ltd. (山西金岩和嘉能源有限公司), an indirect 90%-owned subsidiary of the Company, of the Coke Processing Assets (as defined in the said circular) from 孝義市金岩電力煤化工有限公司 (Xiaoyi City Golden Rock Electricity Coal Chemical Company Limited*), a copy of which has been produced to the meeting marked "A" and signed by the Chairman of the meeting for the purpose of identification, be and is hereby approved, confirmed and ratified; and that all the transactions contemplated under the Sale and Purchase Agreement, (the "**Acquisition Transactions**") be and they are hereby approved and that any one director of the Company ("**Director**") be and he is hereby authorised to do or execute for and on behalf of the Company all such acts and things and such other documents by hand and, where required, under the common seal of the Company together with such other Director or person authorized by the board of Directors, which in his or their opinion may be necessary desirable or expedient to carry into effect or to give effect to the Sale and Purchase Agreement and/or the Acquisition Transactions, including such changes, amendment or waiver thereto which are not fundamentally different from those as provided under the Sale and Purchase Agreement, as any one Director may consider necessary, desirable or expedient."

On behalf of the Board
Huscoke Resources Holdings Limited
Li Baoqi
Acting Chairman

Hong Kong, 29 January 2010

Registered office:
Canon's Court,
22 Victoria Street,
Hamilton HM12,
Bermuda

Principal place of business:
Room 4205,
Far East Finance Center,
16 Harcourt Road, Admiralty,
Hong Kong

Notes:

1. A proxy form to be used for the meeting is enclosed.

2. Any member entitled to attend and vote at a meeting of the Company shall be entitled to appoint another person as his proxy to attend and vote instead of him. A member who is the holder of two or more shares may appoint more than one proxy to represent him and vote on his behalf at a general meeting of the Company or at a class meeting. A proxy need not be a member. In addition, a proxy or proxies representing either a member who is an individual or a member which is a corporation shall be entitled to exercise the same powers on behalf of the member which he or they represent as such member could exercise.

3. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing, or, if the appointor is a corporation, either under its seal or under the hand of an officer, attorney or other person authorised to sign the same. In the case of an instrument of proxy purporting to be signed on behalf of a corporation by an officer thereof it shall be assumed, unless the contrary appears, that such officer was duly authorised to sign such instrument of proxy on behalf of the corporation without further evidence of the facts.

4. The instrument appointing a proxy together with the power of attorney or other authority (if any) under which it is signed, or a certified copy of such power or authority, shall be delivered to the Company's share registrar and transfer office in Hong Kong, Tricor Secretaries Limited at 26/F., Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong not less than forty-eight (48) hours before the time appointed for holding the meeting. Delivery of the form of proxy shall not preclude a member from attending and voting in person at the meeting and, in such event, the instrument appointing a proxy shall be deemed to be revoked.

5. Where there are joint holders of any share any one of such joint holder may vote, either in person or by proxy, in respect of such share as if he was solely entitled thereto, but if more than one of such joint holders be present at any meeting the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority shall be determined by the order in which the names stand in the register in respect of the joint holding.