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**HUSCOKE HOLDINGS LIMITED**

**和嘉控股有限公司**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 704)**

## **EXTENSION OF MATURITY DATE OF CB**

On 13 February 2019, the Company and Rontac Resources as the holder of the CB entered into a conditional Extension Letter to further extend the Maturity Date of the CB up to and including 31 August 2020.

A circular containing, among others, details of the Extension Letter and the proposed Alteration and a notice convening the SGM is expected to be despatched to the Shareholders on or before 28 February 2019.

**Since the Alteration is subject to the fulfillment of the conditions as set out in the Extension Letter, the Alteration may or may not become effective. Shareholders and potential investors are reminded to exercise caution when dealing in the securities of the Company.**

Reference is made to the announcements of the Company dated 13 April 2016, 2 November 2016, 30 December 2016, 15 February 2017, 22 December 2017 and 5 February 2018 (the “**Announcements**”) in relation to, among others, the issue of CB, the extension of the CB Maturity Date and the Alteration of certain terms. Capitalised terms used herein shall have the same meanings as defined in the Announcements unless the context requires otherwise.

On 13 April 2016, the Company entered into the CB Subscription Agreement with Kailuan pursuant to which, the Company (as the issuer) has conditionally agreed to issue and Kailuan (as the subscriber) has conditionally agreed to subscribe for CB in the principal amount of HK\$43,277,093.08 with coupon rate 2.5% per annum on the outstanding principal amount of the CB. The Maturity Date shall be the first anniversary of the date of issue of the CB (which may be extended for one (1) year subject to agreement between the Company and the holder of the CB in writing). Details of the terms of the CB Subscription Agreement have been disclosed in the announcement of the Company dated 13 April 2016.

As disclosed in the announcement of the Company dated 2 November 2016, the CB Subscription Agreement completed on 2 November 2016 and the CB was issued on the same date accordingly.

As disclosed in the announcements of the Company dated 30 December 2016 and 15 February 2017 respectively, both the Company and Kailuan as the holder of the CB agreed to extend the Maturity Date for six (6) months and the CB will become due in 2 May 2018.

As disclosed in the announcement of the Company dated 22 December 2017, the Company and Kailuan as the holder of the CB agreed to further extend the Maturity Date to 31 August 2019.

On 8 March 2018, Kailuan transferred the CB to Rontac Resources Company Limited (“**Rontac Resources**”), being the direct holding company of Kailuan. As at the date of this announcement, Rontac Resources is deemed to be interested in 144,256,976 shares of the Company, representing approximately 5.29% of the total issued share capital of the Company, under Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

After arm’s length negotiations, on 13 February 2019, the Company and Rontac Resources as the holder of the CB entered into a conditional extension letter (the “**Extension Letter**”). Pursuant to the Extension Letter, it is agreed by the parties thereto that, among others, the Maturity Date of the CB be further extended for one (1) year to 31 August 2020. Save for the above, all other material terms and conditions of the CB shall remain unchanged and are in full force and effect.

### **Conditions precedent**

The Extension Letter and the proposed Alteration contemplated thereunder shall be subject to the fulfillment of the following conditions precedent:

- (1) all necessary consents and approvals in respect of the proposed Alteration (including but not limited to the necessary approvals to be obtained under the Listing Rules) having been obtained;
- (2) the passing by the Shareholders of all necessary resolution(s) at a special general meeting (the “**SGM**”) of the Company to approve the Extension Letter, the proposed Alteration and the transactions contemplated thereunder (including but not limited to the allotment and issue of conversion shares under the specific mandate); and
- (3) the Listing Committee of the Stock Exchange granting the listing of and permission to deal in the conversion shares.

In the event that the above conditions precedent cannot be fulfilled on or before 31 August 2019, the Extension Letter shall cease and determine provided that the CB shall remain effective and valid as if the proposed Alteration has not been effective.

### **Reasons for the proposed Alteration**

The proposed Alteration is arrived at after arm’s length negotiations between the Company as the issuer and Rontac Resources as the holder of the CB with reference to, among others, the financial position of the Group and the working capital requirements of the Group.

The extension of the Maturity Date will allow the Company to enjoy more flexibility when planning its financial resources. It will allow the Company to apply its financial resources to fund its operation and/or business development instead of repayment of the CB by 31 August 2019 so as to maximize returns to the Shareholders.

As such, the Directors consider that the terms and conditions of the extension of the Maturity Date are fair and reasonable and the proposed Alteration is in the interests of the Company and the Shareholders as a whole.

### **Listing Rules implications**

Pursuant to Rule 28.05 of the Listing Rules, any alterations in the terms of convertible debt securities after issue must be approved by the Stock Exchange, except where the alterations take effect automatically under the existing terms of such convertible debt securities. The Company has made an application for the approval for the extension of Maturity Date of the CB up to and including 31 August 2020.

The Company will seek Shareholders' approval at the SGM for the grant of specific mandate to the Directors for the allotment and issue of the conversion shares upon the exercise of the conversion rights attaching to the CB and will submit the relevant listing application to the Stock Exchange.

A circular containing, among others, details of the Extension Letter and the proposed Alteration and a notice convening the SGM is expected to be despatched to the Shareholders on or before 28 February 2019.

**Since the Alteration is subject to the fulfillment of the conditions as set out in the Extension Letter, the Alteration may or may not become effective. Shareholders and potential investors are reminded to exercise caution when dealing in the securities of the Company.**

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

Hong Kong, 13 February 2019

*As at the date of this announcement, the Board comprises Mr. Zhao Xu Guang and Mr. So Chiu Fung as executive Directors; Mr. Wong Siu Hung, Patrick and Mr. Huang Man Yem as non-executive Directors; Mr. Lam Hoy Lee, Laurie, Mr. To Wing Tim, Paddy and Dr. Wang Wei Hsin as independent non-executive Directors.*