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## **HUSCOKE RESOURCES HOLDINGS LIMITED**

**和嘉資源控股有限公司**

*(Incorporated in Bermuda with limited liability)*

**(Stock code: 704)**

### **UPDATE ON LITIGATION AGAINST A SUBSIDIARY**

Reference is made to the announcement of the Company dated 23 May 2016 (the “**Announcement**”) in relation to, among others, a legal action commenced by Shanxi Logistic against Shanxi Huscoke, a non-wholly owned subsidiary of the Company. Unless the context requires otherwise, capitalised terms used herein shall bear the same meanings as defined in the Announcement.

The Company announces that with mediation of the Court, Shanxi Huscoke and Shanxi Logistic entered into a civil mediation agreement (the “**Civil Mediation Agreement**”) to confirm, among others, that the sums owed by Shanxi Huscoke to Shanxi Logistic would amount to RMB64,893,700 and such sums should be repaid on or before 30 May 2016.

In light of the relatively large sums to be repaid by Shanxi Huscoke, subsequent to the entering into of the Civil Mediation Agreement and after arm’s length negotiations, Shanxi Huscoke and Shanxi Logistic with other independent third parties as guarantors to Shanxi Huscoke on 8 June 2016 entered into a settlement agreement (the “**Settlement Agreement**”) regarding the execution of the Civil Mediation Agreement. Pursuant to the Settlement Agreement, (i) Shanxi Huscoke shall settle RMB3,000,000 to Shanxi Logistic on or before 10 June 2016; and (ii) Shanxi Huscoke shall settle RMB3,000,000 per month on or before the 30th day of June and July 2016 respectively; Shanxi Huscoke shall settle RMB4,000,000 per month on or before the 30th day of August, September and October 2016 respectively; Shanxi Huscoke shall settle RMB5,000,000 per month on or before the 30th day of November and December 2016 respectively; and Shanxi Huscoke shall settle RMB6,000,000 per month in 2017 until the full settlement of the outstanding sums (including interest accrued and to be accrued thereon). In the event that Shanxi Huscoke fails to perform

its payment obligations under the Settlement Agreement, Shanxi Logistic shall have the right to enforce the Civil Mediation Agreement. Shanxi Huscoke has then paid the first settlement sum of RMB3,000,000 on 14 June 2016.

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

Hong Kong, 5 July 2016

*As at the date of this announcement, the executive Director of the Company is Mr. Li Baoqi , the independent non-executive Directors of the Company are Mr. Lam Hoy Lee, Laurie, Mr. Lau Ka Ho and Mr. To Wing Tim, Paddy.*