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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)

INSIDE INFORMATION DEBT REPAYMENT SCHEME AGREEMENT AND INTEREST SCHEME AGREEMENT

This announcement is made by Huscoke Resources Holdings Limited (the “**Company**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong and the provisions of inside information under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Reference is made to, among others, the Company’s announcements dated 23 May 2013, 27 March 2014, 23 May 2014, 10 September 2014, 30 September 2014, 30 October 2014, 24 November 2014 and 29 December 2014 (“**Previous Announcements**”) in relation to, among others, the annual coke sale and purchase agreement dated 22 May 2013 entered into among the Company, Kailuan (Hong Kong) International Co. Ltd. (“**Kailuan**”, the holder of long positions of 2,612,000,000 shares of the Company) and Mr. Wu (the “**Agreement**”) and the proposed Disposal of Property.

Unless the context otherwise requires, the capitalised terms used in this announcement shall have the same meanings as defined in the aforesaid Previous Announcements.

SIGNING OF DEBT REPAYMENT SCHEME AGREEMENT AND INTEREST SCHEME AGREEMENT IN RELATION TO THE AGREEMENT

As mentioned in the Previous Announcements, the Agreement was expired on 23 May 2014 and the Company obtained a written consent from Kailuan to dispose the Property. Due to the extension of completion date regarding the disposal of Property and after negotiating with Kailuan with regard to the Company’s default in the deposit to Kailuan, the Company signed a debt repayment scheme agreement (the “**Debt Repayment Scheme Agreement**”) and an interest scheme agreement (the “**Interest Scheme Agreement**”) with Kailuan on 23 January 2015.

Major terms of the Debt Repayment Schemes Agreement are as follows:

The Company and Kailuan hereby agree on the terms as follows:

1. For the purpose of restituting Company's default in the deposit to Kailuan, the Company and Kailuan agree that Ocean Signal Limited ("OSL", a wholly owned subsidiary of the Company) shall dispose of the property according to the following terms and conditions.
2. The consideration for the disposal of the property shall not be less than HK\$179,700,000.
3. The process of disposal and transfer of the property shall be completed on or before 29 May 2015.
4. All payments received from the Purchaser for the disposal and transfer of the property ("**property payment**") shall be entrusted to the solicitor as appointed by Kailuan, and shall be appropriated and used as stipulated in the following.
5. Upon successful completion of the disposal and transfer of the property, the property payment shall be allocated according to the following priorities:
 - (i) the first priority is to pay The Bank of East Asia Limited the full amount necessary for the release of the first mortgage;
 - (ii) the remaining balance shall be used in its entirety to repay the deposit and interest that is owed by the Company to Kailuan (with repayment of interest before principal).
6. should the disposal and transfer be unable to complete due to a breach of contract on the part of the purchaser, the property payment that can be forfeited in accordance with the relevant disposal agreement shall be used entirely to repay the deposit and interest that is owed by the Company to Kailuan (with repayment of interest before principal).
7. to avoid ambiguity, should the property's disposal and transfer be unconsummated for whatever reason, the second mortgage shall not be released.

Major terms of the Interest Scheme Agreement are as follows:

The Company and Kailuan hereby agree on the terms as follows:

1. The Company shall repay Kailuan the deposit in its entirety, which amounts to HK\$220,000,000.
2. The Company shall in addition pay to Kailuan HK\$6,600,000, which is the penalty for breach of the contract defaulted in the last quarter of the term of the agreement.

3. The Company agrees and promises to pay interest (“**interest**”) for deposit default at an annual rate of 13% from due date to 23 December 2014. Interest rate from 24 December 2014 is still under negotiation and shall be separately agreed upon through arms-length negotiation.
4. In consideration that the Company’s delinquent repayment has caused damage to Kailuan, the Company further agrees and promises to pay Kailuan an additional HK\$2,200,000 as compensation (“**compensation**”). Both parties confirm that this compensation shall not in any way be construed as penalty on the Company, or as coercion to extract unreasonable indemnity therefrom.
5. Unless both parties separately agree in writing, payments or repayments to Kailuan by the Company (or its associates) shall be construed as conducted according to the following priorities:
 - (i) deposit
 - (ii) interest
 - (iii) penalty for breach of contract
 - (iv) compensation

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

Hong Kong, 23 January 2015

As at the date of this announcement, the executive directors of the Company are Mr. Gao Jianguo and 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.