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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)

DISCLOSEABLE TRANSACTION:
INVESTMENT IN EDB HOLDING LIMITED
INVOLVING
ISSUE OF CONSIDERATION SHARES

On 20 July 2018 (after trading hours), the wholly-owned subsidiary of the Company has entered into the following agreements:

(1) THE SPA

The Purchaser, the Vendor and the Guarantor entered into the conditional SPA, pursuant to which the Vendor has conditionally agreed to sell and the Purchaser has conditionally agreed to acquire 12,910,978 Sale shares, represent approximately 10% of the enlarged issued share capital of the Target Company as a result of the Subscription, for a consideration of HK$38,300,223 (equivalent to RMB33,017,433), by procuring the Company to allot and issue 129,831,263 Consideration Shares to the Vendor at the issue price of HK$0.295 per Consideration Share; and

(2) THE SUBSCRIPTION AGREEMENT

The Purchaser and others entered into the conditional Subscription Agreement, pursuant to which the Purchaser was conditionally agreed to subscribe for and the Target Company was conditionally agreed to allot and issue 13,556,527 Subscription Shares, represent approximately 10.5% of the issued share capital of the Target Company, for a total cash consideration of RMB60,000,000 (or its US$ equivalence).

Upon the completion of the SPA and the Subscription Agreement mentioned above, the Group will hold 26,467,505 Shares of the Target Company, representing approximately 20.5% of its enlarged issued share capital, for a consideration of RMB 93,017,433.

As the relevant percentages exceed 5% but all below 25%, the entering into of the SPA and the Subscription Agreement constitutes a discloseable transaction on the part of the Company under Chapter 14 of the Listing Rules.

INTRODUCTION

As disclosed in the announcements of the Company dated 29 March 2018, 28 May 2018 and 28 June 2018, the Group entered into a letter of intention in relation to the possible investment in the Target Company, the principal subsidiary of which is a China-based software service provider which the major product named E店寶, is an E-commerce resources operation management software.

(1) SPA

On 20 July 2018 (after trading hours), the Purchaser entered into the conditional SPA with the Vendor and the Guarantor, pursuant to which the Vendor conditionally agreed to sell and the Purchaser conditionally agreed to acquire the Sale Shares, represent approximately 10% of the enlarged issued share capital of the Target Company as a result of the Subscription, for a consideration of HK$38,300,223 (equivalent to RMB33,017,433) by procuring the Company to allot and issue the Consideration Shares to the Vendor at the issue price of HK$0.295 per Consideration Share.

Date: 20 July 2018 (after trading hours)

Parties:

(i) The Purchaser as purchaser

(ii) The Vendor as vendor

(iii) The Guarantor as guarantor

The Vendor and the Guarantor

The Vendor is a company incorporated in Hong Kong with limited liability and is principally engaged in investment holdings.

The Guarantor is a PRC citizen and is the controlling shareholder of the Target Company.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Guarantor, the Vendor and its ultimate beneficial owner(s) are Independent Third Parties.

Asset to be acquired:

Pursuant to the SPA, the Purchaser has conditionally agreed to acquire the Sale Shares, which comprise an aggregate of 12,910,978 ordinary shares in the issued share capital of the Target Company. The Sale Shares represent approximately 10% of the enlarged issued share capital of the Target Company as a result of the Subscription. The Sale Shares and the Subscription Shares on aggregate compare 26,467,505 ordinary shares on the enlarged issued share capital of the Target Company, represent approximately 20.5% of the enlarged issued share capital of the Target Company as a result of the subscription.

Conditions of the SPA

The SPA is conditional upon:

(1) the PRC Subsidiaries having obtained all necessary consents and approval for its business operations and the Structured Contracts remaining valid and effective and complying with relevant regulatory requirements;

(2) all necessary consents and approval to be obtained by the Purchaser regarding the sale and purchase of the Sale Shares having been obtained;

(3) there being no facts or circumstance constitute or likely constitute material breach of the warranties given by the Vendor under the SPA;

(4) the Stock Exchange granting the listing of and permission to deal in the Consideration Shares;

(5) if necessary, the passing of necessary resolutions by the Shareholders at a special general meeting to approve the SPA and the transactions contemplated thereunder, including the allotment and issue of the Consideration Shares;

(6) the issue of a PRC legal opinion in respect of the PRC Subsidiaries and the SPA (including but not limited to the validity of the Structured Contracts) in such form and substance to the satisfaction of the Purchaser;

(7) completion of due diligence exercise on the Target Group to the satisfaction of the Purchaser;

(8) fulfilment of all conditions precedent of Subscription Agreement (save for and other than the condition for fulfilment of conditions precedent of the SPA);

(9) the Target Company having obtained its shareholders' approval on conversion of the preference shares of the Target Company into the ordinary shares of the Target Company; and

(10) completion of the conversion of the preference shares of the Target Company into the ordinary shares of the Target Company on the basis of 1 preference share to 1 ordinary share and amendments of relevant articles of association of the Target Company, which content be satisfied by the Purchaser.

In the event that the conditions of the SPA are not fulfilled within 3 months or such other date as may be agreed by the parties thereto, the SPA shall cease and terminate and none of the parties shall have any obligations and liabilities under the SPA save for antecedent breaches.

Completion of the SPA

Completion of the SPA will take place within thirty (30) business days after the conditions precedent of the SPA are fulfilled or waived (or such other date as may be agreed between the parties).

Completion of the SPA shall take place simultaneously with completion of the Subscription Agreement.

Consideration

The total consideration for the Sale Shares under the SPA shall be HK$38,300,223 (equivalent to RMB33,017,433) and shall be settled by the Purchaser by procuring the Company to allot and issue the Consideration Shares at the Issue Price or in such other manner as the parties may agree.

Consideration Shares and Issue Price

The Consideration Shares will rank *pari passu* in all respects with the Shares in issue as at the date of allotment and issue of the Consideration Shares.

The 129,831,263 Consideration Shares represent (i) approximately 5% of the issued share capital of the Company as at the date of this announcement; and (ii) approximately 4.76% of the enlarged issued share capital of the Company as a result of the allotment and issue of the Consideration Shares (assuming that there is no other change in the issued share capital of the Company from the date of this announcement to the date of issue and allotment of the Consideration Shares).

The Issue Price of HK$0.295 per Consideration Share represents:

(i) an equivalent of the closing price of HK$0.295 per Share as quoted on the Stock Exchange on 20 July 2018, being the date of the Subscription Agreement; and

(ii) a premium of approximately 0.68% over the average of the closing prices of HK$0.293 per Share as quoted on the Stock Exchange for the last five (5) consecutive trading days up to and including 20 July 2018.

The Issue Price was arrived at after arm's length negotiations between the Purchaser and the Vendor, taking into account of, among others, the recent trading performance of the Shares and the valuation of the Target Group. The Directors consider that the Issue Price and the terms and conditions of the SPA are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Mandate to issue the Consideration Shares

The Consideration Shares will be allotted and issued pursuant to the General Mandate. Immediately before the date of the SPA, the General Mandate has not been utilized. On the Issue Price of HK$0.295 per Consideration Shares, 129,831,263 Consideration Shares will utilise about 25% of the General Mandate.

Compensation based on Guaranteed Profit

The Target Company undertakes that the audited consolidated after-tax net profit attributable to its shareholders for the year ending 31 December 2018 shall be not less than RMB25,000,000 (the "**Guaranteed Profit**").

In the event that the actual audited consolidated after-tax net profit of the Target Company attributable to its shareholders for the year ending 31 December 2018 (the "**Actual Profit**") shall be less than the Guaranteed Profit, the Vendor shall be obliged to pay the Purchaser in cash:

B = HK$38,300,223 x (Guaranteed Profit – Actual Profit)/Guaranteed Profit

where B is the compensation amount payable by the Vendor

For the avoidance of doubt, in the event that the Target Group recorded loss in its financial statements for the year ending 31 December 2018, the Actual Profit shall be deemed to be zero.

Repurchase of Sale Shares

Within two years from the date of completion of the SPA, in the event of occurrence of any of the following circumstances, the Purchaser shall be entitled to request the Vendor to repurchase all or part of the Sale Shares at the price equivalent to the consideration per Sale Shares under the SPA:

(a) the information provided by the Target Company, its controlling shareholder(s) and/or its actual controllers under the due diligence exercise contains material mistake, false statements or omission;

(b) material breach of the terms and conditions of the SPA and/or the undertakings and warranties by the Vendor;

(c) the change of actual controller of the Target Company;

(d) the aggregate audited consolidated after-tax net profits of the Target Company attributable to its shareholders for the year ended 31 December 2017 and the year ending 31 December 2018 be less than RMB30,000,000;

(e) the audited consolidated after-tax net profit of the Target Company attributable to its shareholders for the year ending 31 December 2019 be less than RMB20,000,000; or

(f) failure to comply with the relevant post-completion undertakings on the part of the Vendor and/or the Target Group under the SPA.

(2) SUBSCRIPTION AGREEMENT

On 20 July 2018 (after trading hours), the Purchaser entered into the conditional Subscription Agreement with the Target Company and others, pursuant to which the Purchaser conditionally agreed to subscribe for and the Target Company conditionally agreed to allot and issue 13,556,527 Subscription Shares, represent approximately 10.5% of the issued share capital of the Target Company, for a total cash consideration of RMB60,000,000 (or its US$ equivalence)

Date: 20 July 2018 (after trading hours)

Parties:

(i) The Purchaser as subscriber

(ii) The Target Company as issuer

(iii) The Guarantor and a company incorporated in the British Virgin Islands with limited liability as guarantors

The Target Company

The Target Company is a company incorporated in the Cayman Islands with limited liability, the principal subsidiary of which is a China-based software service provider which the major product named E店寶, is an E-commerce Resources operation management software.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Target Company and its ultimate beneficial owner(s) are Independent Third Parties.

Asset to be acquired:

Pursuant to the Subscription Agreement, the Purchaser has conditionally agreed to subscribe the Subscription Shares, which comprise an aggregate of 13,556,527 new ordinary shares in the share capital of the Target Company to be allotted and issued by the Target Company upon Completion. The Subscription Shares represent approximately 10.5% of the enlarged issued share capital of the Target Company as a result of the Subscription. The Sale Shares and the Subscription Shares on aggregate compare 26,467,505 ordinary shares on the enlarged issued share capital of the Target Company, represent approximately 20.5% of the enlarged issued share capital of the Target Company as a result of the subscription.

Conditions of the Subscription Agreement

The Subscription Agreement is conditional upon:

(1) the PRC Subsidiaries having obtained all necessary consents and approval for its business operations and the Structured Contracts remaining valid and effective and complying with relevant regulatory requirements;

(2) all necessary consents and approval to be obtained by the Purchaser regarding the subscription of the Subscription Shares having been obtained;

(3) there being no facts or circumstance constitute or likely constitute material breach of the warranties given by the Target Company under the Subscription Agreement;

(4) if necessary, the passing of necessary resolutions by the Shareholders at a special general meeting to approve the Subscription Agreement;

(5) the issue of a PRC legal opinion in respect of the PRC Subsidiaries and the Subscription Agreement (including but not limited to the validity of the Structured Contracts) in such form and substance to the satisfaction of the Purchaser;

(6) completion of due diligence exercise on the Target Group to the satisfaction of the Purchaser;

(7) fulfilment of all conditions precedent of the SPA (save for and other than the condition for fulfilment of conditions precedent of the Subscription Agreement);

(8) the Target Company having obtained its shareholders' approval on conversion of the preference shares of the Target Company into the ordinary shares of the Target Company; and

(9) completion of the conversion of the preference shares of the Target Company into the ordinary shares of the Target Company on the basis of 1 preference share to 1 ordinary share and amendments of relevant articles of association of the Target Company, which content be satisfied by the Purchaser.

Completion of the Subscription Agreement

Completion of the Subscription Agreement will take place within thirty (30) business days after the conditions precedent of the Subscription Agreement are fulfilled or waived (or such other date as may be agreed between the parties).

Completion of the Subscription Agreement shall take place simultaneously with completion of the SPA.

Upon completion of the Subscription Agreement, the Purchaser shall enter into a shareholders' agreement in such form and substance to its satisfaction with the other shareholders of the Target Company.

Consideration

The consideration payable by the Purchaser for the Subscription Shares shall be RMB60,000,000, which shall be payable in the following manner (or in such other manner as the parties thereto may agree):

(a) as to RMB20,000,000 (or its US$ equivalence) shall be payable by the Purchaser and/or the Company to the Target Company within 7 working days after the fulfillment of condition precedent 9 of the Subscription Agreement as set out above;

(b) as to the remaining balance of RMB40,000,000 (or its US$ equivalence) shall be payable by the Purchaser and/or the Company to the Target Company within 30 working days of completion of the Subscription Agreement.

For the avoidance of doubt, any payment made by the Purchaser and/or the Company to the Target Company shall be regarded as deposits under the Subscription Agreement, which shall be fully refundable to the Purchaser in the event that completion of the Subscription Agreement cannot take place in accordance with its terms.

Compensation based on Guaranteed Profit

The Target Company warrants and undertakes that the audited consolidated after-tax net profit attributable to its shareholders for the year ending 31 December 2018 shall be not less than RMB25,000,000 (the "**Guaranteed Profit**").

In the event that the actual audited consolidated after-tax net profit of the Target Company attributable to its shareholders for the year ending 31 December 2018 (the "**Actual Profit**") shall be less than the Guaranteed Profit, the Target Company shall be obliged to pay the Purchaser in cash:

C = the aggregate subscription price payable by the Purchaser under the Subscription Agreement x (Guaranteed Profit – Actual Profit)/Guaranteed Profit

where C is the compensation amount payable by the Target Company

For the avoidance of doubt, in the event that the Target Group recorded loss in its financial statements for the year ending 31 December 2018, the Actual Profit shall be deemed to be zero.

Repurchase of Subscription Shares

Within three years from the date of completion of the Subscription Agreement, in the event of occurrence of any of the following circumstances, the Purchaser shall be entitled to request the Guarantor to purchase all or part of the Subscription Shares at the price equivalent to the subscription price per Subscription Share plus an interest rate of 8% per annum (calculated from the date of payment):

(a) the information provided by the Target Company, its controlling shareholder(s) and/or its actual controllers under the due diligence exercise contains material mistake, false statements or omission;

(b) material breach of the terms and conditions of the Subscription Agreement and/or the undertakings, representations and warranties by the Target Company;

(c) the change of actual controller of the Target Company;

(d) the aggregate audited consolidated after-tax net profits of the Target Company attributable to its shareholders for the year ended 31 December 2017 and the year ending 31 December 2018 be less than RMB30,000,000;

(e) the audited consolidated after-tax net profit of the Target Company attributable to its shareholders for the year ending 31 December 2019 be less than RMB20,000,000;

(f) the controlling shareholder of the Target Company charge or otherwise create any encumbrances over the shares of the Target Company without the prior consent of the Purchaser; or

(g) failure to comply with the relevant post-completion undertakings on the part of the Vendor and/or the Target Group under the SPA.

(3) INFORMATION OF THE TARGET GROUP

The Target Company is a company incorporated in the Cayman Islands with limited liability. The Target Company holds the entire issued share capital of EDB Holding Limited, a company incorporated in Hong Kong which in turn holds the entire equity interests of two PRC Subsidiaries. The two PRC Subsidiaries through certain Structured Contracts control 北京聖特爾科技發展有限公司, which together with its PRC Subsidiaries is a China-based software service provider which the major product named E店寶, is an E-commerce Resources operation management software.

According to the unaudited consolidated financial statements of the Target Group, the turnover, net profit before taxation and net profit after taxation for the year ended 31 December 2017 would be approximately RMB101,250,468, approximately RMB11,825,083 and approximately RMB11,824,769 respectively. The turnover, net loss before taxation and net loss after taxation for the year ended 31 December 2016 would be approximately RMB68,366,088, approximately RMB6,930,654 and approximately RMB6,930,654 respectively.

The unaudited consolidated total assets and net assets of the Target Group as at 31 December 2017 are approximately RMB114,659,682 and approximately RMB28,252,603 respectively.

Pursuant to preliminary valuation conducted by independent valuer, Hong Kong Appraisal Advisory Limited, the 100% equity interest in the Target Company amounts to approximately RMB520,000,000 (the "**Valuation**"). The Valuation constitutes a profit forecast under Rule 14.61 of the Listing Rules and Rules 14.60A and 14.62 of the Listing Rules are applicable. Set out below are the major assumptions adopted by the valuer in the Valuation:

– The selected guideline publicly-traded companies share sufficient similarities to the underlying business of the Target Group so as to provide a meaningful comparison;

– There will be no major changes in the existing political, legal, fiscal and economic conditions in which the Target Group carries on their businesses;

– There will be no major changes in the current taxation law in the PRC, that the rates of tax payable will remain unchanged and that all applicable laws and regulations will be complied with;

– There will be no material changes in the enterprise resources planning software industry in which the Target Group involved that would materially affect the revenues, profits, cash flows attributable to the businesses;

– Exchange rates and interest rates will not differ materially from those presently prevailing;

– The Target Group will maintain the validity of all necessary permits, license, certificates and approvals to carry on its businesses;

- The Target Group will retain competent management, key personnel and technical staff to support the ongoing operation of its business;

- As advised by the management of the Company, it is assumed all preference shares as at the Valuation Date has been converted into common share at a conversion ratio of 1:1; and

- As advised by the management of the Company, upon completion of the Transaction, the Company will hold minority interest in the Target Company. The Valuation has not taken into account any premium arising from control.

Deloitte Touche Tohmatsu ("**Deloitte**"), acting as the reporting accountants of the Company, has performed an assurance engagement to obtain reasonable assurance on whether the estimated net profit attributable to equity holders of the Target Company for 12-month ending 31 May 2019, so far as the calculations are concerned, have been complied, in all material respects, in accordance with the assumptions set out above.

The Directors confirm that the Valuation, which constitutes a profit forecast under the Listing Rules, has been made after due and careful enquiry.

A letter from the Board and a letter from Deloitte are included in the appendices to this announcement for the purpose of Rule 14.62 of the Listing Rules.

As at the date of this announcement, each of Deloitte and Hong Kong Appraisal Advisory Limited does not have any shareholding, directly or indirectly, in any member of the Group or any right (whether legally enforceable or not) to subscribe for or to nominate person to subscribe for securities in any member of the Group.

Each of Deloitte and Hong Kong Appraised Advisory Limited has given and has not withdrawn its written consent to the publication of this announcement with inclusion of its report and all references to its name in the form and context in which it is included.

(4) REASONS FOR THE TRANSACTIONS

The Group is principally engaged in three business segments, namely: (i) trading of coke (the "**Coke Trading Segment**"); (ii) washing of raw coal into refined coal for sale and for further processing, and the sale of electricity and heat which are generated with by-products produced during washing of raw coal (the "**Coal-related Ancillary Segment**"); and (iii) processing of refined coal into coke for sale, and sale of coke by-products that are generated during coke production (the "**Coke Production Segment**").

Upon the completion of SPA and the Subscription Agreement mentioned above, the Group will hold 26,467,565 Shares of the Target Company, representing approximately 20.5% of its enlarged issued share capital, for a consideration of RMB 93,017,433.

The Directors consider that the Transactions represent an excellent investment opportunity on the part of the Group. In view of the continuous economic growth in the PRC and the worldwide growing demand for E-commerce Enterprise Resources Planning, the Directors believe that there will be sufficient room of growth and development for the business of the Target Group.

The Directors consider settlement of part of the consideration by issuing the Consideration Shares is justifiable as that would reduce cash outflow of the Group, which represent an opportunity for the Company to better utilise its working capital for the future development of the Group.

The Directors consider that the Subscription Agreement and the SPA are entered into upon normal commercial terms following arm's length negotiations between the Purchaser and the relevant parties and that the terms and conditions of the Subscription Agreement and the SPA are fair and reasonable so far as the interests of the Company and the Shareholders as a whole are concerned.

(5) LISTING RULES IMPLICATIONS

As the relevant percentages exceed 5% but all below 25%, the entering into of the SPA and the Subscription Agreement constitutes a discloseable transaction on the part of the Company under Chapter 14 of the Listing Rules.

GENERAL

The Consideration Shares will be issued under the General Mandate. Application will be made by the Company to the Stock Exchange for the grant of the listing of, and permission to deal in, the Consideration Shares.

Shareholders and potential investors of the Company should note that completion of the Transactions is subject to the fulfillment of the conditions set out in the Subscription Agreement and the SPA. The Transactions may or may not proceed. Shareholders and potential investors of the Company are therefore urged to exercise caution when dealing in the Shares and other securities of the Company.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meaning:

"associates"	has the meaning ascribed to this term under the Listing Rules
"Board"	the board of Directors

"Company"	Huscoke Resources Holdings Limited, a company incorporated in Bermuda with limited liability and the issued Shares of which are listed on Main Board of the Stock Exchange
"Completion"	completion of the Transactions in accordance with the terms and conditions of the SPA and the Subscription Agreement
"connected person(s)"	has the meaning ascribed to this term under the Listing Rules
"Consideration Shares"	the 129,831,263 new Shares to be allotted and issued by the Company in accordance with the terms of the SPA
"Directors"	directors of the Company
"General Mandate"	the general mandate granted to the Directors at the annual general meeting held on 5 June 2018, pursuant to which a maximum of 519,325,051 new Shares may fall to be allotted and issued
"Group"	the Company and its subsidiaries
"Guarantor"	Chen Tao, the guarantor of the Target Company under the Subscription Agreement and the SPA
"Independent Third Party(ies)"	any person(s) or company(ies) and their respective ultimate beneficial owner(s), to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, are not connected persons of the Company and are third parties independent of the Company and its connected persons in accordance with the Listing Rules
"Issue Price"	issue price of HK$0.295 per Consideration Share
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Listing Rules"	The Rules Governing the Listing of Securities on the Stock Exchange
"PRC"	the People's Republic of China, and for the purpose of this announcement only, not including Hong Kong, Macau and Taiwan

"PRC Subsidiaries"	the PRC subsidiaries of the Target Group
"Purchaser"	True Tycoon Limited, a wholly owned subsidiary of the Company
"Sale Shares"	12,910,978 ordinary shares in the issued share capital of the Target Company
"Share(s)"	ordinary share(s) of HK$0.01 each in the share capital of the Company
"Shareholder(s)"	holder(s) of the Share(s)
"SPA"	the conditional sale and purchase agreement dated 20 July 2018 and entered into among the Purchaser, the Vendor and the Guarantor in relation to the sale and purchase of the Sale Shares
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Structured Contracts"	the structured contracts entered by the Target Group to control the PRC Subsidiaries
"Subscription"	the subscription for the Subscription Shares by the Purchaser pursuant to the Subscription Agreement
"Subscription Agreement"	the conditional agreement dated 20 July 2018 and entered into, among others, between the Target Company and the Purchaser in respect of the Subscription
"Subscription Shares"	13,556,527 new ordinary shares to be allotted and issued by the Target Company
"Target Company"	EDB Holding Limited, a company incorporated in the Cayman Islands with limited liability
"Target Group"	the Target Company and its subsidiaries
"Transactions"	the transactions contemplated under the Subscription Agreement and the SPA
"Vendor"	Massive Light Limited, a company incorporated in Hong Kong with limited liability
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong

"RMB"	Renminbi, the lawful currency of the PRC
"US$"	United States dollars, the lawful currency of the United States of America
"%"	per cent.

By the order of the Board of
Huscoke Resources Holdings Limited
Zhao Xu Guang
Chairman

Hong Kong, 20 July 2018

As at the date of this announcement, the executive Directors of the Company are Mr. Zhao Xu Guang and Mr. Li Baoqi, the non-executive Directors of the Company are Mr. Wong Siu Hung, Patrick and Mr. Huang Man Yem, the independent non-executive Directors of the Company are Mr. Lam Hoy Lee, Laurie, Mr. Lau Ka Ho and Mr. To Wing Tim, Paddy.

In compliance with Rule 14.60A of the Listing Rules, the text of each of the letter from Deloitte to the Board confirming that it has reviewed the calculations of the profit forecasts for the Valuation and the Letter from the Board confirming the Valuation has been made by the Directors after due and careful enquiry both dated 20 July 2018, for the purpose of, among others, inclusion in this announcement are reproduced below:

APPENDIX I – LETTER FROM THE BOARD

Date: 20 July 2018

Listing Division
The Stock Exchange of Hong Kong Limited
11/F., One International Finance Centre
1 Harbour View Street, Central
Hong Kong

Dear Sirs

Re: Discloseable Transaction – Investment in EDB Holding Limited

We refer to the announcement of the Company dated 20 July 2018 and the valuation report (the "**Valuation Report**") prepared by Hong Kong Appraisal Advisory Limited (the "**Valuer**") dated 13 July 2018 in respect of the valuation of EDB Holding Limited and its subsidiaries (the "**Target Group**") as at 31 May 2018 (the "**Valuation**"), the Valuation of which constitutes a profit forecast under Rule 14.60A of the Listing Rules.

We have discussed with the Valuer about different aspects including the basis and assumptions based on which the Valuation has been prepared and have reviewed the comfort letter issued by Deloitte in relation to the arithmetic calculations of the profit forecast of the Target Group and have reviewed the principal assumption upon which the Valuation is based. We have also considered the impact of the transaction on the Company and its subsidiaries as a whole.

After such discussion and reviews, we are of the view that the profit forecast contained in the Valuation Report has been made after due and careful enquiry.

Yours faithfully
For and on behalf of the Board of
Huscoke Resources Holdings Limited
Zhao Xu Guang
Chairman

Deloitte. 德勤

INDEPENDENT ASSURANCE REPORT ON CALCULATIONS OF PROFIT FORECAST IN RESPECT OF THE VALUATION OF THE ENTIRE EQUITY INTEREST IN EDB HOLDING LIMITED

TO THE DIRECTORS OF HUSCOKE RESOURCES HOLDINGS LIMITED

We have examined the calculations of the estimated net profit attributable equity holders of the Target Company for 12-month ending 31 May 2019 (the "**Profit Forecast**") on which the valuation prepared by Hong Kong Appraisal Advisory Limited dated 13 July 2018 in respect of the valuation of the entire 100% equity interest in EDB Holding Limited (the "**Target Company**") as at 31 May 2018 (the "**Valuation**") in connection with the investment in the Target Company by Huscoke Resources Holdings Limited (the "**Company**"). The Valuation based on the Profit Forecast is regarded as a profit forecast under Rule 14.61 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and will be included in an announcement dated 20 July 2018 to be issued by the Company in connection with the investment in the Target Company (the "**Announcement**").

Directors' Responsibility for the Profit Forecast

The directors of the Company are responsible for the Profit Forecast in accordance with the bases and assumptions determined by the directors and set out in the Announcement (the "**Assumptions**"). This responsibility includes carrying out appropriate procedures relevant to the Profit Forecast for the Valuation and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.

Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the "Code of Ethics for Professional Accountants" issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies Hong Kong Standard on Quality Control 1 "Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements" issued by the HKICPA and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting Accountants' Responsibility

Our responsibility is to express an opinion on the arithmetical accuracy of the Profit Forecast on which the Valuation is based and to report solely to you, as a body, as required by Rule 14.62(2) of the Listing Rules, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Our engagement was conducted in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" issued by the HKICPA. This standard requires that we comply with ethical requirements and plan and perform the assurance engagement to obtain reasonable assurance on whether the Profit Forecast, so far as the calculations are concerned, have been properly compiled in accordance with the Assumptions. Our work was limited primarily to making inquiries of the Company's management, considering the analyses and assumptions on which the Profit Forecast are based and checking the arithmetic accuracy of the Profit Forecast. Our work does not constitute any valuation of the Target Company.

Because the Valuation relates to the Profit Forecast, no accounting policies of the Company have been adopted in its preparation. The Assumptions include hypothetical assumptions about future events and management actions which cannot be confirmed and verified in the same way as past results and these may or may not occur. Even if the events and actions anticipated do occur, actual results are still likely to be different from the Valuation and the variation may be material. Accordingly, we have not reviewed, considered or conducted any work on the reasonableness and the validity of the Assumptions and do not express any opinion whatsoever thereon.

Opinion

Based on the foregoing, in our opinion, the Profit Forecast, so far as the calculations are concerned, have been properly compiled, in all material respects, in accordance with the Assumptions.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
20 July 2018