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HUSCOKE HOLDINGS LIMITED

和嘉控股有限公司

(Incorporated in Bermuda with limited liability)

(Stock code: 704)

DISTRIBUTION OF THE CONSIDERATION SHARES AND CLOSURE OF REGISTER OF MEMBERS

DISTRIBUTION OF THE CONSIDERATION SHARES

On 26 September 2019, the Company, True Tycoon (being the wholly-owned subsidiary of the Company) and the Vendor entered into the Escrow Agreement with Sorrento Securities Limited, as the Escrow Agent, for the Distribution of the Consideration Shares to the Qualifying Shareholders on a pro-rata basis subject to further assessment on regulatory requirements of relevant jurisdictions and practicability in relation to the entitlement of the Overseas Shareholders under the Distribution of the Consideration Shares.

The Board has resolved that the Distribution of the Consideration Shares to the Qualifying Shareholders whose names appear on the Company's register of members on 18 October 2019.

CLOSURE OF REGISTER OF MEMBERS

The Register will be closed from 14 October 2019 to 18 October 2019 (both days inclusive) for the purpose of determining the entitlement of the Distribution of the Consideration Shares. No transfer of the Shares will be registered during the book closure period.

In order to qualify the Distribution of the Consideration share, all transfers of Shares of the Company accompanied by the relevant share certificates and transfer forms must be lodged with the Company's branch share registrar in Hong Kong, Tricor Secretaries Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration, no later than 4:30 p.m. on 11 October 2019.

The expected timetable relating to the Distribution of the Consideration Shares mentioned in this announcement may be changed. The Company will keep the Shareholders and potential investors informed of any changes in connection with the expected timetable by way of further announcement(s).

Reference is made to the announcement of Huscoke Holdings Limited (the “**Company**”) dated 20 July 2018, 6 August 2018, 30 November 2018, 27 June 2019 and 6 September 2019 respectively (the “**Announcements**”) in relation to, among others, the entering into of the Settlement Agreement and the proposed Distribution of the Consideration Shares. Unless the context requires otherwise, capitalised terms used herein shall bear the same meanings as defined in the Announcements.

DISTRIBUTION OF THE CONSIDERATION SHARES

On 26 September 2019, the Company, True Tycoon Limited (being the wholly-owned subsidiary of the Company) (“**True Tycoon**” or, as defined in the Announcements, the Purchaser) and the Vendor entered into an escrow agreement (the “**Escrow Agreement**”) with Sorrento Securities Limited as the Escrow Agent (the “**Escrow Agent**”) for the Distribution of the Consideration Shares to the Shareholders (other than the Vendor) (the “**Qualifying Shareholders**”) on a pro-rata basis subject to further assessment on regulatory requirements of relevant jurisdictions and practicability in relation to the entitlement of the Overseas Shareholders (as defined below) under the Distribution of the Consideration Shares. To the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, Sorrento Securities Limited and its ultimate beneficial owner(s) are Independent Third Parties and are independent of and not connected with the Vendor, the Guarantors, the Target Company, the Company and its connected persons and their respective associates (as defined under the Listing Rules). Sorrento Securities Limited is a licensed corporation for carrying on Type 1 (dealing in securities) and Type 4 (advising on securities) regulated activities as defined under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Pursuant to the terms and conditions of the Escrow Agreement, the Vendor shall transfer the Consideration Shares to the Escrow Agent, who will in turn assist the Company and the Vendor to complete the Distribution of the Consideration Shares to the Qualifying Shareholders. The Transfer of the Consideration Shares by the Vendor to the Escrow Agent is expected to be completed on or around 8 October 2019.

As at the date of this announcement, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, other than the 129,831,263 Consideration Shares held by the Vendor, the Vendor, the Guarantors and their respective associates did not hold any Shares. To the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, the Vendor, the Guarantors and their respective associates are independent of and not connected with any other Shareholders.

The Board has resolved that the Distribution of the Consideration Shares to the Qualifying Shareholders whose names appear on the Company's register of members on 18 October 2019 (the "**Record Date**") subject to further assessment on regulatory requirements of relevant jurisdictions and practicability in relation to the entitlement of the Overseas Shareholders under the Distribution of the Consideration Shares.

Distribution of the Consideration Shares and the Record Date

The 129,831,263 Consideration Shares represent approximately 4.66% of the issued share capital of the Company as at the date of this announcement. Based on the closing price of HK\$0.166 per Share as at the date of this announcement, the value of the 129,831,263 Consideration Shares amounts to approximately HK\$21,551,990.

The Company would not hold any treasury shares after the Transfer as the Consideration Shares after the Transfer will be registered under the name of the Escrow Agent pending the Distribution. As at the date of this announcement, the Consideration Shares were charged in favour of the Group as security collateral for the performance of the Vendor under the relevant agreements and such charge will be released by the Company to facilitate the Transfer as detailed below. As only the Qualifying Shareholders will have interests over the Consideration Shares under the Distribution and the Company will not be the holder of the relevant Consideration Shares, such Transfer would not constitute a share repurchase under Rule 10.06 of the Listing Rules and would not have implications under the Code on Share Buy-Backs issued by the Securities and Futures Commission of Hong Kong.

Pursuant to the terms and conditions of the Escrow Agreement, the Vendor shall within six working days from the date of the Escrow Agreement execute all necessary documents for the Transfer of the Consideration Shares to the Escrow Agent. The Company shall release the charge over the Consideration Shares to facilitate the Transfer. After completion of the Transfer, the Escrow Agent shall assist the Company and the Vendor to complete the Distribution of the Consideration Shares to the Qualifying Shareholders by way of transferring of the relevant Consideration Shares to the Qualifying Shareholders and/or disposal of the relevant Consideration Shares on the market (detailed arrangement are set out in the paragraphs below).

Whilst the Escrow Agent as the registered holder of the Consideration Shares after the Transfer shall be entitled to voting right, dividend and other shareholder's rights, the Escrow Agent shall not exercise such voting right and other shareholder's right pending completion of the Distribution of the Consideration Shares under the Escrow Agreement.

Under the Distribution, the Company will procure the Escrow Agent to release and transfer the Consideration Shares which will be held in the escrow of the Escrow Agent to the Qualifying Shareholders whose names appear on the register of members of the Company as at the Record Date on a pro-rata basis subject to further assessment on regulatory requirements of relevant jurisdictions and practicability for the Overseas Shareholders (Please refer to the paragraph headed "Arrangement for the Overseas Shareholders" for relevant arrangement for the Overseas Shareholders). The register of members of the Company will be updated in respect

of the Distribution of the Consideration Shares.

Qualifying Shareholders with their Shares held by a nominee (including HKSCC Nominees Limited) should note that the Company will regard the nominee (including HKSCC Nominees Limited) as a single Qualifying Shareholder according to the register of members of the Company for the purpose of the Distribution of the Consideration Shares. Qualifying Shareholders should consult their professional advisers if they are in any doubt as to whether they should register their shareholding in their own names prior to the book closure period.

Number of the Consideration Shares to be received

As at the date of this announcement, the total issued Shares are 2,786,456,521 Shares. The number of Consideration Shares which Qualifying Shareholder is entitled to receive will be calculated as follows:

Number of Consideration Shares to be received (round down to the nearest whole number)

= (Number of existing Shares held on the Record Date ÷ (Total number of issued Shares as at the Record Date – 129,831,263 Consideration Shares)) x 129,831,263 Consideration Shares

The number of Consideration Shares to be received by each Qualifying Shareholder will be rounded down to the nearest whole number. Assuming that no new Share will be allotted and issued during the period commencing from the date of this announcement and up to the Record Date, for illustrative purpose, the Qualifying Shareholders will be entitled to receive 488 Consideration Shares for every board lot of 10,000 Shares.

No Qualifying Shareholder will be entitled to be received any fraction of a Consideration Share. Fractional entitlements resulting from the Distribution of the Consideration Shares will be sold by the Company in the market for its own benefit.

Trading of odd lots of the Consideration Shares

Qualifying Shareholders should note that they may receive the Consideration Shares which are not in multiple board lots of the Shares, and dealings in odd lots of the Shares may be at a price below the prevailing market price of the Shares.

In order to facilitate the trading of odd lots of the Consideration Shares, the Company has appointed Sorrento Securities Limited to provide matching service, on a best efforts basis, to those Qualifying Shareholders who wish to acquire odd lots of the Consideration Shares to make up a full board lot or to dispose of their holdings of odd lots of the Consideration Shares for a period of not less than three weeks immediately after the Distribution of the Consideration Shares. Holders of odd lots of the Consideration Shares who wish to take advantage of this matching facility either to make up a full board lot, or to dispose of their holding of odd lots of the Consideration Shares may contact Mr. Francis Cheung of Sorrento Securities Limited at 11/F The Wellington, 198 Wellington Street, Central, Hong Kong or at telephone number (852) 3959 9834 respectively during office hours (i.e. 9:00 a.m. to 5:00 p.m.). Qualifying

Shareholders should note that the matching of and the sale and purchase of odd lots of the Consideration Shares is on a best efforts basis, and is not guaranteed and will depend on whether there are adequate amounts of odd lots of the Consideration Shares available for such matching. Qualifying Shareholders are advised to consult their own professional advisers if they are in doubt about the matching service described above.

Arrangement for the Overseas Shareholders

In respect of any Qualifying Shareholder whose address on the register of members of the Company on the Record Date is in a jurisdiction outside Hong Kong and whom the Directors, having made relevant enquiries, consider it unlawful or impracticable, to distribute the Consideration Shares, such Qualifying Shareholders (the “**Overseas Shareholders**”) will not receive any Consideration Shares. Instead, the Consideration Shares which they would otherwise receive will be sold by the Company on their behalf at the prevailing market price as soon as reasonably practicable after the Distribution of the Consideration Shares and they will receive a cash amount equal to the net proceeds of such sale, if such net proceeds shall exceed HK\$100.00. Such net proceeds, if paid to the Overseas Shareholders, will be by cheques in Hong Kong dollars and by ordinary post to their registered addresses on or around 13 December 2019 at their own risk. If such net proceeds shall be below HK\$100.00, such net proceeds shall be retained by the Company for its own benefits.

Further announcement(s) will be made by the Company in respect of any change as to the expected date of despatch of share certificates (if applicable) and further details of arrangement for the Overseas Shareholders.

It is the responsibility of any Qualifying Shareholder (including but not limited to nominee, agent and trustee) to satisfy himself or herself or itself as to the full observation of the laws and regulations of the relevant territory or jurisdiction, including the obtaining of any governmental or other regulatory consents and to pay any taxes, duties and other amounts required to be paid in such territory or jurisdiction in connection herewith. Qualifying Shareholders should consult their professional advisers if in doubt as to the Distribution of the Consideration Shares.

Despatch of share certificates

It is expected that the certificates for the Consideration Shares will be despatched to the Qualifying Shareholders by ordinary post to their registered addresses on or around 20 November 2019 at their own risk.

Taxation

Qualifying Shareholders are recommended to consult their professional advisers if they are in any doubt as to the taxation or other legal implications of holding or dealing in the Consideration Shares. It is emphasized that none of the Company or its Directors or the Escrow Agent accept responsibility for any tax effects or liability of holders of the Consideration Shares resulting from holding or disposal of, or dealing in the Consideration Shares.

Effects on the shareholding structure of the Company

The shareholding structure of the Company (i) as at the date of this announcement; and (ii) immediately after the Distribution of the Consideration Shares (without taking into account the effect of fractional entitlement and disposal of the Consideration Shares for certain Overseas Shareholders for cash) are summarised as follows:

Shareholders	(i) As at the date of this announcement		(ii) Immediately after the Distribution of the Consideration Shares	
	No. of Shares	Approximate %	No. of Shares	Approximate %
Vendor	129,831,263	4.66	-	-
Shun Wang Investments Limited ⁽¹⁾	1,400,000,000	50.24	1,468,419,047	52.70
To Wing Tim, Paddy ⁽²⁾	232,000	0.01	243,338	0.01
Other public Shareholders	1,256,393,258	45.09	1,317,794,136	47.29
Total	<u>2,786,456,521</u>	<u>100.00</u>	<u>2,786,456,521</u>	<u>100.00</u>

Notes:

- (1) Shun Wang Investments Limited is wholly-owned by Whole Advance Limited. Mr. Zhao Xu Guang, an executive Director and chairman of the Company, is the ultimate sole holder of the voting ordinary shares of Whole Advance Limited, which in turn holds the entire issued share capital of Shun Wang Investments Limited.
- (2) Mr. To Wing Tim, Paddy, an independent non-executive Director of the Company, and his spouse, respectively hold 60,000 Shares and 172,000 Shares. Accordingly, Mr. To Wing Tim, Paddy is deemed to have interest in 232,000 Shares.

CLOSURE OF REGISTER OF MEMBERS AND EXPECTED TIMETABLE

Set out below is the expected timetable for the implementation of Distribution of the Consideration Shares.

2019

Last day of dealings in Shares on a cum-entitlement basis	Wednesday, 9 October
First day of dealings in Shares on an ex-rights basis	Thursday, 10 October

Latest time for lodging transfer of Shares in order to be qualified for the Distribution	4:00 p.m. on Friday, 11 October
Register of members of the Company closure period (both dates inclusive)	From Monday, 14 October to Friday, 18 October
Record Date for determining the Qualifying Shareholders who are entitled to the Distribution	Friday, 18 October
Register of members re-opens	Monday, 21 October
Despatch of the relevant share certificates to the Qualifying Shareholders and commencement of odd lot matching service by Sorrento Securities Limited	Wednesday, 20 November
Despatch of cheques to certain Overseas Shareholders and Sorrento Securities Limited ceases to stand in the market to provide odd lot matching service	Friday, 13 December

Note:

1. All times and dates refer to Hong Kong local times and dates.

The Register will be closed from 14 October 2019 to 18 October 2019 (both days inclusive) for the purpose of determining the entitlement of the Distribution of the Consideration Shares. No transfer of the Shares will be registered during the book closure period.

In order to qualify the Distribution of the Consideration Shares, all transfers of Shares of the Company accompanied by the relevant share certificates and transfer forms must be lodged with the Company's branch share registrar in Hong Kong, Tricor Secretaries Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration, no later than 4:30 p.m. on 11 October 2019.

The expected timetable relating to the Distribution of the Consideration Shares mentioned in this announcement may be changed. The Company will keep the Shareholders and potential investors informed of any changes in connection with the expected timetable by way of further announcement(s).

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

Hong Kong, 26 September 2019

As at the date of this announcement, the Board comprises Mr. Zhao Xu Guang (Chairman), Mr. Li Qinghua, Mr. So Chiu Fung and Mr. Wang Yijun 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.