
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker, or other licensed securities dealer, bank manager, solicitors, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Huscoke Holdings Limited (the “**Company**”), you should at once hand this circular together with the enclosed form of proxy to the purchaser or the transferee, or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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HUSCOKE HOLDINGS LIMITED

和嘉控股有限公司

(Incorporated in Bermuda with limited liability)

(Stock code: 704)

**MAJOR TRANSACTION INVOLVING
FORMATION OF A JOINT VENTURE COMPANY**

A notice convening a special general meeting (“**SGM**”) of the Company to be held at Room 2301, 23/F., Tower One, Lippo Centre, 89 Queensway, Admiralty, Hong Kong on Tuesday, 11 February 2020 at 3:00 p.m. is set out on pages 24 to 25 of this circular.

Whether or not you are able to attend the SGM, you are requested to complete the accompanying form of proxy, in accordance with the instructions printed thereon and deposit the same at the offices of 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 as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the SGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the SGM or any adjournment thereof should you so wish.

23 January 2020

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DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions shall have the following meanings when used herein:

“associate”	has the meaning ascribed to this term under the Listing Rules
“Board”	the board of Directors
“close associate”	has the meaning ascribed to this term under the Listing Rules
“Company”	Huscoke Holdings Limited, a company incorporated in Bermuda with limited liability and the issued Shares of which are listed on the Stock Exchange
“connected person(s)”	has the meaning ascribed to this term under the Listing Rules
“Directors”	directors (including the independent non-executive directors) of the Company from time to time
“GRG Huscoke”	山西金岩和嘉能源有限公司 GRG Huscoke (Shan Xi) LTD*, a company established in the PRC and is an indirectly 90%-owned subsidiary of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Subsidiary”	Bloom Wealth Investment Limited 興財投資有限公司, a company incorporated in Hong Kong with limited liabilities and a wholly owned subsidiary of the Company
“Independent Third Party(ies)”	any person(s) or company(ies) and their respective ultimate beneficial owner(s) whom, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, are third party(ies) independent of the Company and its connected persons in accordance with the Listing Rules
“JV Partner”	Shanxi Baimaoyuan Trading Co., Ltd* 山西百懋源貿易有限公司, a company established in the PRC with limited liabilities
“Latest Practicable Date”	21 January 2020, being the latest practicable date prior to the printing of this circular to ascertaining certain information of this circular

* *for identification purposes only*

DEFINITIONS

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China
“SFO”	Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong
“SGM”	the special general meeting of the Company to be held and convened to approve the Shareholders Agreement and the transactions contemplated thereunder
“Shanxi JV”	Shanxi Golden Rock Rich Hydrogen Energy Co., Ltd. 山西金岩富氢能源有限公司, the joint venture company to be established in Shanxi Province, the PRC under the Shareholders Agreement
“Shareholders”	holders of the Shares
“Shareholders Agreement”	the shareholders agreement dated 12 September 2019 (as supplemented by the Supplemental Shareholders Agreement) and entered into between the Hong Kong Subsidiary and the JV Partner in relation to the establishment of the Shanxi JV
“Shares”	ordinary shares of HK\$0.01 each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Supplemental Shareholders Agreement”	the supplemental shareholders agreement dated 20 November 2019 and entered into between the Hong Kong Subsidiary and the JV Partner
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“RMB”	Renminbi, the lawful currency of the PRC
“%”	per cent



HUSCOKE HOLDINGS LIMITED

和嘉控股有限公司

(Incorporated in Bermuda with limited liability)

(Stock code: 704)

Executive Directors:

Mr. ZHAO Xu Guang

Mr. LI Qinghua

Mr. WANG Yijun

Non-executive Directors:

Mr. WONG Siu Hung, Patrick

Mr. HUANG Man Yem

Mr. JIANG Jiansheng

Independent non-executive Directors:

Mr. LAM Hoy Lee, Laurie

Mr. TO Wing Tim, Paddy

Dr. WANG Wei Hsin

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Tower One, Lippo Centre

89 Queensway

Admiralty

Hong Kong

23 January 2020

To the Shareholders

Dear Sir or Madam,

**MAJOR TRANSACTION INVOLVING
FORMATION OF A JOINT VENTURE COMPANY**

INTRODUCTION

Reference are made to the announcements of the Company dated 12 September 2019 and 20 November 2019, pursuant to which the Board announces that the Shareholders Agreement was entered into between the Hong Kong Subsidiary and the JV Partner, pursuant to which the Shanxi JV will be established.

The Shanxi JV is planned to engage principally in project(s) of utilization of coke oven gas transforming into and producing liquified natural gas (“LNG”), synthetic ammonia, urea and related products, as well as the development of clean energy business including

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hydrogen. The business scope of the Shanxi JV is to develop new energy, clean energy utilization projects and chemical products (excluding hazardous chemicals) (the specific business scope is subject to the approval of the registration authorities). The Shanxi JV will be owned beneficially as to 90% by the Hong Kong Subsidiary and as to the balance of 10% by the JV Partner. Upon the completion of establishment, the Shanxi JV will become a 90% owned subsidiary of the Company.

The entering into of the Shareholders Agreement constitutes a major transaction on the part of the Company under Chapter 14 of the Listing Rules. The purpose of this circular is to provide you with details regarding the Shareholders Agreement (as supplemented by the Supplemental Shareholders Agreement) and the transactions contemplated thereunder in accordance with the Listing Rules. A notice of the SGM is set out on pages 24 to 25 of this circular.

THE SHAREHOLDERS AGREEMENT

Date: 12 September 2019 (after trading hours) (as supplemented by the Supplemental Shareholders Agreement dated 20 November 2019)

Parties: (a) the Hong Kong Subsidiary
(b) the JV Partner

The Hong Kong Subsidiary is a company incorporated in Hong Kong with limited liability and is a wholly owned subsidiary of the Company.

The JV Partner is a company established in the PRC and is principally engaged in trading of coals, cokes and chemical products. The JV Partner is held as to 51% by Mr. Li Haonan (李浩男) and 49% by Ms. Zhang Peng (張鵬), both of who are PRC citizens. The JV Partner was first introduced to the Company by GRG Huscoke, an indirectly 90%-owned subsidiary of the Company in Shanxi. The management team of GRG Huscoke got acquainted with the JV Partner through its coke related business network in Shanxi Province. Mr. Li Haonan is the executive director of the JV Partner and Ms. Zhang Peng is the general manager of the JV Partner. They are the shareholders of the JV Partner which in turn will be contributing RMB22,000,000 by way of cash representing 10% of the equity interests in the Shanxi JV. Both individuals grew up in Shanxi and have been familiar with the coke related business. They have been doing local coke trading business so that a strong business network has been built in Shanxi Province.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the JV Partner and its ultimate beneficial owner(s) are Independent Third Parties. Save for the Shareholders Agreement as disclosed herein, the JV Partner and its ultimate beneficial owners have no financial and/or other business relationship with GRG Huscoke and/or other members of the Group.

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The Company understands that both Mr. Li Haonam and Ms. Zhang Peng familiarise the relevant local governmental procedures which would be helpful for establishment of the Shanxi JV. The Company considers that it is important for Shanxi JV to have a minority shareholder who could handle the local matters to facilitate smooth establishment and operation in Shanxi Province and the JV Partner can serve for that purpose. It is believed that these elements would be helpful for the establishment, future business operation and development of the Shanxi JV.

The parties to the Shareholders Agreement agreed that the Shanxi JV will be established in Shanxi Province, the PRC. The Shanxi JV is planned to engage principally in development of hydrogen and clean energy business, the utilization of coke oven gas and LNG, synthetic ammonia, urea and related project(s). The Shanxi JV is targeted to invest in the construction of the coke oven gas project which are facilities designed with a capacity of 250,000 tons of LNG per annum, 800,000 tons of synthesis ammonia per annum and 1,400,000 tons of urea per annum.

The business scope of the Shanxi JV is to develop new energy, clean energy utilization projects and chemical products (excluding hazardous chemicals) (the specific business scope is subject to the approval of the registration authorities). The Company understands that the specific business scope should be subject to the approval from the Administration for Industry & Commerce (工商行政管理局) and Economic Development Zone Management Committee (經濟開發區管理委員會). As at the Latest Practicable Date, the approval is under the progress of application and is expected to be obtained before the end of February 2020.

The Shanxi JV is a special purpose vehicle for the project. Pursuant to the Shareholders Agreement, in the event that there would be any force majeure events causing that the Shanxi JV could not operate, a liquidation team would be set up to dissolve the Shanxi JV in accordance with the relevant PRC laws and regulations. After deduction of relevant outstanding taxes (if any), costs and expenses, the remaining balances shall be distributed to the shareholders of the Shanxi JV in accordance with their respective shareholdings in the Shanxi JV on a pro rata basis.

Conditions precedent

The establishment of the Shanxi JV shall be subject to the following conditions:

- (1) all necessary consents and approval (including any board's and shareholders' approval) in relation to the establishment of the Shanxi JV having been obtained by the parties to the Shareholders Agreement;
- (2) compliance with the Listing Rules requirements on the part of the Hong Kong Subsidiary in relation to the establishment of the Shanxi JV; and
- (3) all necessary PRC governmental approval, waiver and consents in relation to the establishment of the Shanxi JV having been obtained.

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In the event that the conditions precedent cannot be fulfilled within one year from the date of the Shareholders Agreement, the Shareholders Agreement shall cease to have any effect and save for any antecedent breaches, the parties to the Shareholders Agreement shall not bear any rights and obligations thereunder.

As at the Latest Practicable Date, none of the conditions precedent have been satisfied. The conditions precedent are not waivable. It is expected that the completion of establishment of the Shanxi JV would take place before the end of February 2020.

Registered capital

Pursuant to the terms of the Shareholders Agreement, the proposed registered capital of the Shanxi JV will be RMB220,000,000 and will be contributed by the parties in proportion to their respective shareholdings in the Shanxi JV. As at the Latest Practicable Date, no contribution has been made by the parties to the Shareholders Agreement yet.

Regarding the registered capital of the Shanxi JV, RMB198,000,000 will be contributed by the Hong Kong Subsidiary by way of cash representing 90% of the equity interests in the Shanxi JV and RMB22,000,000 will be contributed by the JV Partner by way of cash representing 10% of the equity interests in the Shanxi JV.

The Group intends to finance the capital contribution of the Hong Kong Subsidiary to the Shanxi JV from its internal resources.

The contributions to the registered capital of the Shanxi JV shall be made by the respective parties within three months upon the issue of the business license of the Shanxi JV. It is expected that the business license would be obtained before the end of February 2020 and the capital contribution to the Shanxi by the Company would be made in or around first quarter of 2020. The Company understands that apart from the business license, no licenses or permits is required to operate its business.

The period of contributions to the registered capital of the Shanxi JV is ultimately subject to the administrative approval or registration of the projects. It is expected that the administrative approval or registration of the project will take place before the end of February 2020. If the administrative approval or registration required for the project of utilization of coke oven gas is not obtained within three months after the completion of establishment of the Shanxi JV, the parties agree to modify the joint venture contract and articles of association of the Shanxi JV to further extend the period of contributions until the Shanxi JV completes all required administrative approval or registration.

The Company has entered into a facility agreement of HK\$200,000,000 with China Cinda (HK) Asset Management Co., Limited (“**Cinda Hong Kong**”) and has made the facility drawdown in July 2019. The facility agreement was entered into between the Company and Cinda Hong Kong on 28 June 2019 and the amendment and restatement agreement was entered into on 8 July 2019, pursuant to which Cinda Hong Kong would make available the facility of HK\$200 million to the Company and the maturity date of

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such facility is 8 July 2022 and the interest rate is 10% per annum. The Company considers that the terms and conditions of the facilities are fair and reasonable and are on normal commercial terms and in the interests of the Company and its Shareholders as a whole.

In addition, the Group has on 6 September 2019 entered into a settlement agreement with EDB Holdings Limited (a company controlled by Mr. Chen Tao), Massive Light Limited (a company controlled by staff of EDB Holding Limited) and Mr. Chen Tao in which accounts receivable in the sum of approximately HK\$22,000,000 are expected to be received by the Group in or around first quarter 2020. The accounts receivable were for EDB Holdings Limited and Mr. Chen Tao as the guarantor to buy back the subscription shares issued by EDB Holding Limited to the Group pursuant to the settlement agreement. Please refer to the announcements of the Company dated 27 June 2019 and 6 September 2019 for further details. As disclosed in the announcement of the Company dated 6 September 2019, EDB Holdings Limited and Mr. Chen Tao should pay the sums on or before 16 December 2019. EDB Holdings Limited and Mr. Chen Tao have requested for extension to pay the sums on or before 31 March 2020. As at the Latest Practicable Date, the legal title of the subscription shares issued by EDB Holding Limited to the Group have not been transferred to EDB Holdings Limited and Mr. Chen Tao pending the receipt of the accounts receivables by the Group. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, each of EDB Holdings Limited, Massive Light Limited and Mr. Chen Tao are independent of and not connected with the Company, its connected persons and their respective associates.

Taking into account such funding sources after reporting period of the interim report, the Board considers the internal resources of the Group is sufficient to satisfy the capital contribution to the Shanxi JV.

Reference is made to the Company's announcement of 28 January 2019 in relation to the formation of Whole Advance Limited ("**Whole Advance**"). As at the Latest Practicable Date, Whole Advance is a company incorporated in the British Virgin Islands with limited liability and its principal business activity is investment holding. The total issued share capital of Whole Advance is held as to 50% by Mr. Zhao Xu Guang ("**Mr. Zhao**"), the Chairman and an executive Director of the Company, and 50% by Cinda Hong Kong respectively, with Mr. Zhao indirectly holding all the issued voting ordinary shares of Whole Advance, and Cinda Hong Kong indirectly holding all the issued non-voting convertible preference shares of Whole Advance. Based on the information provided by Whole Advance, the non-voting preference shares held by Cinda Hong Kong can be converted into ordinary shares of Whole Advance under certain limited circumstances and Cinda Hong Kong may appoint directors to the board of Whole Advance in the event of full conversion of the non-voting preference shares into ordinary shares, unless otherwise agreed in writing by all the shareholders. The non-voting preference shares can be converted into ordinary shares only under very limited circumstances, namely, when there has been non-compliance in respect of a reserved matters which require unanimous written consent of all shareholders, or when the holder of voting ordinary shares has otherwise failed to act in the best interest of Whole Advance. The reserved matters include (i) winding up, liquidation or receivership; (ii) alteration of any shareholder right; (iii) alteration of the articles of association; and (iv) alteration of dividend policy.

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To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, Cinda Hong Kong is only acting as a financial investor in Whole Advance and has no intention to be involved in any operation management of Whole Advance or the Company and does not have any voting right in Whole Advance or the Company. Accordingly Cinda Hong Kong and its ultimate beneficial owner(s) are Independent Third Parties.

The total investment sum of the project after completion of establishment of the Shanxi JV is estimated to be around RMB400 million. It is expected to be financed by the registered capital of the Shanxi JV as well as local banking facilities to be obtained by the Shanxi JV. The investment sum of the project is expected to be financed by the registered capital and local banking facilities which amount to RMB200,000,000 and RMB200,000,000 respectively. The local banking facilities are yet to be obtained by the Shanxi JV as at the Latest Practicable Date and it is expected that the Shanxi JV will obtain the banking facilities within three to six months after its completion of the establishment.

The estimated total investment sum of the project is RMB400,000,000. The Company has consulted with several local financial institutions in the PRC and based on the local banking practice along with their internal control measures, the ratio of registered capital to bank loans is usually set to be one to one. As such, the proposed registered capital of RMB220,000,000 was determined based on the proposed total investment sum of the project as well as the availability of obtaining banking facilities.

The proposed registered capital of the Shanxi JV was determined after arm's length negotiations between the relevant parties with referencing to the future business development and investment plan of the Shanxi JV. The Directors consider that the proposed registered capital of the Shanxi JV is fair and reasonable and in the interests of the Company and its Shareholders as a whole.

Completion of establishment of Shanxi JV

Upon completion of the registration with the relevant PRC authorities and the obtaining of relevant business license, the establishment of the Shanxi JV will be completed. The parties shall procure completion of the establishment of the Shanxi JV within 30 days upon fulfillment of the conditions precedent.

The Shanxi JV will become a 90%-owned indirect subsidiary of the Group upon its establishment and its results will be consolidated with those of the Group.

Principal obligations of the parties to the Shareholders Agreement

The Hong Kong Subsidiary and the JV Partner as the shareholders of the Shanxi JV shall, among other matters:

1. contribute the registered capital of the Shanxi JV in accordance with the articles and association of the Shanxi JV;

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2. bear their respective obligations according to their registered capital of Shanxi JV within the limit of their registered capital of Shanxi JV; and
3. comply with the articles of association and other relevant PRC laws and regulations.

Upon its establishment, the Shanxi JV shall, among other matters:

1. obtain all necessary PRC regulatory approval for its coke oven gas project(s) and other business project(s) within the timeframe stipulated under relevant PRC laws and regulations, including any environmental approvals; and
2. arrange and secure all necessary resources for its coke oven gas project(s) and other business project(s), including land, construction contract(s), raw material supply contract(s) and utilities.

It is expected that all necessary PRC regulatory approvals for the coke oven gas project will be obtained before the end of February 2020. The Company understands that the PRC regulatory approval for the coke oven gas project(s) would be in the form of registration (備案) the same to the PRC authority and would be applied and obtained by the Shanxi JV after the completion of establishment.

Apart from the principal obligations above, there are no further material capital commitments that are required to be contributed by the parties to the Shareholders Agreement and for arranging and securing all necessary resources for its coke oven gas project(s) and other business project(s) at this stage. Further announcement(s) will be made if there are any further material capital commitments to be put up by the parties to the Shareholders Agreement if and when appropriate to comply with the relevant requirements of the Listing Rules.

Profits and Losses sharing in the Shanxi JV

The Hong Kong Subsidiary and the JV Partner will be entitled to share the net profits and losses of the Shanxi JV in proportion to their equity interests in the Shanxi JV upon its establishment.

Board of directors of the Shanxi JV

The board of directors of the Shanxi JV will comprise three directors, of whom one director will be appointed by the JV Partner and two directors will be appointed by the Hong Kong Subsidiary.

The chairman of the board of directors of the Shanxi JV will be appointed by the Hong Kong Subsidiary.

The board of directors of the Shanxi JV shall be responsible for determining all significant decisions of the Shanxi JV, including but not limited to amendments to the articles of association, increase or reduction of any registered capital, mergers and

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acquisitions, fixing the annual budget and engagement of auditors and senior management. The resolutions of the board of directors of the Shanxi JV shall be passed by way of simple majority. As at the Latest Practicable Date, the company intends to nominate Mr. Li Qinghua, executive directors of the Group and Mr. Jiang Jiansheng, non-executive director of the Group with extensive experience in the field of project management and investment management to be the directors of the Shanxi JV.

Board of Supervisors of the Shanxi JV

The board of supervisors of the Shanxi JV shall comprise three members, of which the JV Partner will nominate two members and the Hong Kong Subsidiary shall nominate one member. The chairman of the board of supervisors of the Shanxi JV shall be nominated by the Hong Kong Subsidiary. The directors of the Shanxi JV cannot act as members of the board of supervisors of the Shanxi JV. The board of supervisors is responsible for supervising the policy pursued by the board of directors and monitoring the managerial duties and company's general course of affairs performed by the senior management of the Shanxi JV. As at the Latest Practicable Date, the Company has yet to identify any candidate to be nominated as a member of the board of supervisors of the Shanxi JV at this stage. It may recruit a suitable candidate externally or identify a suitable candidate internally after completion of establishment of the Shanxi JV.

REASONS FOR THE SHAREHOLDERS AGREEMENT

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**”).

The Directors have always been proactive in seeking opportunities for expanding and enhancing its coke related business in the PRC. The Directors consider that the entering into the Shareholders Agreement offers the Group a good business opportunity to expand its coke related business in the PRC, which is in line with the Group's objective of developing and investing in LNG, hydrogen and clean energy related projects in the PRC.

The Company has conducted relevant commercial due diligence works including an in-depth market research of the current LNG market as well as the analysis of the new energy industry in the PRC. The Group also has the advantage of producing LNG at a comparatively low cost as raw materials will be provided from its major business for Shanxi JV for production of LNG. Based on the abovementioned due diligence works conducted and the fact that the Group has solid experience in coke oven gas treatment and chemical production, the Board considers the project itself is of sufficient commercial prospects and feasibility.

The proposed usage of the registered capital of the Shanxi JV will include the construction of infrastructure such as water supply system, power supply system and sewage treatment. The actual usage of the registered capital of the Shanxi JV shall be subject to the

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feasibility study provided by China National Chemical Engineering Group (CNCEG). CNCEG is an independent third-party professional institution specialized in construction engineering and design of chemical engineering in China. It is a state-owned enterprise that supervised by State-owned Assets Supervision and Administration Commission of the State Council. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, CNCEG and its ultimate beneficial owner(s) are Independent Third Parties. It is expected that the feasibility study of the project by CNCEG, which will provide further supporting regarding technical issues of the construction of the project, will be obtained within 2 months after the completion of the establishment of the Shanxi JV. The Shanxi JV will resolve technical issues (if any) indicated by the feasibility study of CNCEG. In the unlikely event that the feasibility study by CNCEG shows that there would be technical issues which could not be resolvable causing the project not being feasible, the Shanxi JV as a special purpose vehicle will be dissolved and the Company will get back its contribution in the Shanxi JV.

The Shanxi JV is planned to purchase coke oven gas, a by-product produced during the coking process, from the producers located in the industrial park in Shanxi. Through efficient utilization of coke oven gas, refined products such as LNG will be produced and distributed to customers after recycling and treatment. It is expected that a construction period of approximately 1 year for LNG facility and a construction period of approximately 3 years for synthesis ammonia and urea facilities. The actual construction period is subject to the feasibility study provided by CNCEG and the operation of the Shanxi JV after its establishment. The products of Shanxi JV are expected to be sold to the local LNG stations, chemical enterprises and trader in Shanxi and nearby province. As at the Latest Practicable Date, no long-term contracts have been entered into between the Shanxi JV and its key customers or suppliers.

The construction of infrastructure has yet to be commenced by the Shanxi JV and the expected construction costs to be incurred by the Shanxi JV will be RMB400,000,000. The expected construction costs of infrastructure will be covered by the total investment sum of the project.

The Group possesses experience in chemical production and coke oven gas treatment, which closely relates to the business of Shanxi JV. In addition, the board of the Shanxi JV will recruit more members and experts into the management team with relevant experience (e.g. new energy, clean energy utilization projects and chemical products) after completion of the establishment of the Shanxi JV.

The JV Partner could provide supports to the sales of Shanxi JV in utilizing its local network and the Group could provide supports to production of Shanxi JV in utilizing expertise and experience in coking industry especially in chemical production. Whilst the JV Partner has no technical experience and expertise in the Shanxi JV's business, the JV Partner could leverage its local network with the local government that would favor the operation and development of the Shanxi JV. The JV Partner will also be contributing RMB22,000,000 by way of cash representing 10% of the equity interest in the Shanxi JV. As

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the stakeholder of the Shanxi JV, the JV Partner is expected to assist the Shanxi JV to handle most of the local issues including but not limited to communication and liaison with the relevant local governmental authorities.

The roles and responsibilities of the Group and the JV partner in the Shanxi JV will further be governed by the articles of association of the Shanxi JV under the governance of PRC law and regulation. As a controlling shareholder of the Shanxi JV, the Group will participate and monitor the operation of Shanxi JV through the nominated directors in the board of directors of the Shanxi JV. The senior management of the Shanxi JV shall be recruited by and reported to the board of directors of the Shanxi JV. The Directors consider that the investment in the Shanxi JV will enhance the earnings ability to the Group in the future.

As disclosed in the announcement of the Group dated 5 November 2019 in relation to, among others, a framework agreement was entered into among GRG Huscoke, Jinyan Electricity Coke Chemical Company Limited* (孝義市金岩電力煤化工有限公司) (“**Jinyan Electricity**”), Xiaoyi Jianeng Coal Chemical Technology Development Company Limited* (孝義市嘉能煤化科技開發有限公司) (“**Jianeng Coal**”), Shanxi Jinyan Energy Technology Company Limited* (山西金岩能源科技有限公司) (“**Energy Technology**”), Xiaoyi ILNG Natural Gas Production Company Limited* (孝義市愛路恩濟天然氣製造有限公司) (“**Xiaoyi ILNG**”), Mr. Yang Linhai* (楊林海) and Mr. Wu Tangjun* (武堂俊), pursuant to which the Company and/or its designated company within the Group intend to acquire and to subscribe for the share capital of Energy Technology such that the Company will be interested in a controlling shareholding stake or more than 50% of the enlarged share capital of Energy Technology. At as the Latest Practicable Date, apart from the abovementioned framework agreement, the Group have not entered into any agreement, arrangement, understanding or undertaking and negotiation to acquire any new business or dispose of its existing businesses.

The Directors, including the independent non-executive Directors, consider that the terms of the Shareholders Agreement are entered into upon normal commercial terms following arm’s length negotiations among the parties and that the terms of the Shareholders Agreement are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATION

As the highest applicable percentage ratio in respect of the Shareholders Agreement is more than 25% but is less than 100%, the entering into of the Shareholders Agreement constitutes a major transaction of the Company and is subject to the reporting, announcement and shareholders’ approval requirements under Chapter 14 of the Listing Rules.

To the best of the Directors’ knowledge, information and belief, no Shareholders have a material interest in the Shareholders Agreement and the Supplemental Shareholders Agreement and no Shareholders would have to abstain from voting at the SGM to approve the Shareholders Agreement and the transactions contemplated thereunder.

* *for identification purposes only*

LETTER FROM THE BOARD

FINANCIAL EFFECT OF THE COMPANY

Pursuant to Shareholder Agreement, the Shanxi JV will be accounted for as a 90%-owned subsidiary of the Company and its results will be consolidated into the financial statements after completion of establishment. It is expected that with the Company's portion of the capital contribution expected to be funded by the Group's internal resources, the assets of the Group will be increased by an amount representing the contribution made to the Shanxi JV by the JV Partner of RMB22,000,000. The liabilities and earnings of the Group will remain unchanged immediately following the completion of the establishment of Shanxi JV since the Shanxi JV, being newly established, would not have incurred any liability or recorded any revenue or earnings. The overall effects of the completion of establishment of the Shanxi JV on the future earnings of the Group will depend on, among other things, the operating results of the Shanxi JV. It is expected that the Shanxi JV will contribute positively to the results of the Group as a subsidiary.

RECOMMENDATION

As disclosed in the announcement dated 20 November 2019, written approval on the Shareholder Agreement has been obtained from Shun Wang Investments Limited which is interested in an aggregate of 1,468,419,047 Shares, representing approximately 51.15% of the issued share capital of the Company. As disclosed in the announcement of the Company dated 5 December 2019, the Company will convene the SGM to allow the Shareholders to consider and approve the Shareholders Agreement instead of relying on the written approval.

The Board considers that the terms of the Shareholders Agreement and the transactions contemplated thereunder are fair and reasonable and are in the interests of the Company and the Shareholders as a whole. The Directors recommend the Shareholders to vote in favour of the Shareholders Agreement at the SGM.

ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in the appendices to this circular.

Yours faithfully
By order of the Board
HUSCOKE HOLDINGS LIMITED
Zhao Xu Guang
Chairman and Executive Director

1. SUMMARY OF FINANCIAL INFORMATION

The financial information of the Group for (i) the year ended 31 December 2016 is disclosed in the annual report of the Company for the year ended 31 December 2016 published on 28 April 2017, (<https://www1.hkexnews.hk/listedco/listconews/sehk/2017/0428/ltn201704281143.pdf>), from pages 62 to 155; (ii) for the year ended 31 December 2017 is disclosed in the annual report of the Company for the year ended 31 December 2017 published on 30 April 2018, (<https://www1.hkexnews.hk/listedco/listconews/sehk/2018/0430/ltn20180430664.pdf>), from pages 81 to 199; (iii) the year ended 31 December 2018 is disclosed in the annual report of the Company for the year ended 31 December 2018 published on 29 April 2019, (<https://www1.hkexnews.hk/listedco/listconews/sehk/2019/0429/ltn20190429530.pdf>), from page 83 to 195; and, (iv) the six months ended 30 June 2019 is disclosed in the interim report of the Company for the six months ended 30 June 2019 published on 26 September 2019, (<https://www1.hkexnews.hk/listedco/listconews/sehk/2019/0926/ltn20190926521.pdf>), from page 4 to 55, all of which have been published on the website of the Stock Exchange (www.hkexnews.hk) and the website of the Company (www.huscoke.com).

2. FINANCIAL AND TRADING PROSPECTS OF THE GROUP

In the first half of 2019, China's coke industry experienced steady growth with an overall increase in both production output and sales price. The Group's main product metallurgical coke is the raw material for steelmaking. According to the report released by China Iron and Steel Industry Association, the national crude steel output for the first half of 2019 grew by 9.9% year-on-year to 490 million tons, while the coke output for the first half of 2019 increased by 6.7% year-on-year to 230 million tons. As the crude steel output grew at a faster pace than that of the coke output, the metallurgical coke still fell short of supply. Meanwhile, benefiting from the proactive fiscal policy and relatively accommodative monetary policy implemented by the PRC government in 2019, the PRC economy maintained a steady growth momentum. It is expected that the favourable market environment will continue to bolster the development of the steel industry, providing support for the demands and price of metallurgical coke.

Driven by the coke and steel markets, the coke price hovered at high level in the first half of 2019. According to the statistic data from China Coking Industry Association, the average price of second grade metallurgical coke in the first half of 2019 was approximately RMB1,987 per ton, representing a year-on-year increase of 4.1%. As a result, the overall sales of the Group increased by 9.0% to approximately HK\$811,470,000 from approximately HK\$744,128,000 for the corresponding period of 2018. The coke price continued to be supported by the strong demands from the steel plants and certain objective factors such as decrease in coke supply due to increased efforts in de-capacity by the government.

Looking forward, the increased efforts in de-capacity of the coke industry by the government has led to the phase-out of some coke enterprises that failed to meet the environmental protection requirements, which will result in a decrease in coke supply. Meanwhile, given the increasing demand for metallurgical coke driven by the expectation of continuous increase in production output of the steel plants, the coke price is expected to stay on the upward track. As an enterprise that strictly complies with the national environmental protection standard, the Group will continue to keep a close watch on the development in the environmental protection policies, improve its equipment and keep abreast with the supply-side reform. Furthermore, the Group will continue to implement stringent control over various costs and strengthen risk control.

The Group intends to expand its coke trading business by exploring new trading channels to promote its international coke trading business and increase its cash flow, with an aim to improve the overall business profit of the Group. The Group will continue to pay attention to the changes in the market, and promote industrial upgrading through relevant industrial consolidation. As disclosed in the announcement of the Group dated 5 November 2019 in relation to, among others, the entering of a framework agreement (the “**New Framework Agreement**”) with GRG Huscoke, Jinyan Electricity, Jianeng Coal, Energy Technology, Xiaoyi ILNG, Mr. Yang Linhai* (楊林海) and Mr. Wu Tangjun* (武堂俊), pursuant to which the Company and/or designated company within the Group intend to acquire and to subscribe for the share capital of Energy Technology such that the Company will be interested in a controlling shareholding stake or more than 50% of the enlarged share capital of Energy Technology.

Pursuant to the New Framework Agreement, the Framework Agreement dated 18 March 2019 entered into between the Company, the GRG Huscoke and the Energy Technology as disclosed in the announcement of the Company dated 18 March 2019 were superseded and terminated. Energy Technology is committed to a coke project located in Xiaoyi City, Shanxi Province of the PRC with an annual production capacity of 5 million tons. Further announcement(s) will be made by the Company as and when appropriate in relation to the progress of the acquisition.

The Group has been actively exploring collaborative opportunities relating to its existing businesses, and will integrate upstream and downstream resources that provide synergies to the current coke production business, with an aim to create greater value for our Shareholders and stakeholders in return for their support.

3. INDEBTEDNESS

At the close of business on 30 November 2019, being the latest practicable date for the purpose of this indebtedness statement prior to the printing of this Circular, the total indebtedness of the Group amounted to approximately HK\$243,714,000, which comprised:

- (i) unsecured and unguaranteed loans from a related party of HK\$3,195,000;
- (ii) an unsecured and unguaranteed borrowing of HK\$214,993,000; and
- (iii) unsecured and unguaranteed convertible bonds (liabilities portion) of HK\$25,526,000.

Lease liabilities

As at the close of business on 30 November 2019, the Group had lease liabilities amounting to HK\$1,319,000.

Save as aforesaid and apart from intra-group liabilities and normal trade payable and accruals and other payables in the ordinary course of business, at the close of business on 30 November 2019, the Group did not have any debt securities issued and outstanding or agreed to be issued but unissued, bank overdrafts, loans or other similar indebtedness, liabilities under acceptances (other than normal trade payables) or acceptance credits, debentures, mortgages, charges, finance lease, hire purchases commitments, guarantees or material contingent liabilities.

4. WORKING CAPITAL

The Directors, after due and careful consideration, are of the opinion that, taking into consideration the financial resources available to the Group including the internally generated funds and the present facility, the Group will have sufficient working capital for at least twelve months from the date of this circular.

5. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, so far as was known to the Directors, there are no any material adverse change in the financial or trading position of the Group as at 31 December 2018, the date to which the latest published audited financial statements of the Group were made up.

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particular given in compliance with the Listing Rules for the purpose of giving information with regard to the Group. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and is not misleading or deceptive and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. DISCLOSURE OF INTERESTS

(a) Director's interests and short positions in the securities of the Company and its associated corporations

As at the Latest Practicable Date, save as disclosed below, none of the Directors nor the chief executive of the Company had or was deemed to have any interests or short positions in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) (i) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) which were otherwise required to notify the Company and the Stock Exchange pursuant to the Model Code.

Name of Director	Nature of Interest	Number of Shares	Approximate percentage or attributable percentage of shareholding
Zhao Xu Guang (Note 1)	Interest of a controlled corporation	1,468,419,047	51.15%
To Wing Tim, Paddy (Note 2)	Beneficial owner and interest of spouse	243,337	0.00%

Notes:

- As at the Latest Practicable Date, Shun Wang Investments Limited was wholly-owned by Whole Advance Limited. Mr. Zhao Xu Guang, an executive Director and chairman of the Company, was the ultimate sole holder of the voting ordinary shares of Whole Advance Limited, which in turn held the entire issued share capital of Shun Wang Investments Limited. Accordingly, Mr. Zhao was deemed to be interested in 1,468,419,047 Shares of the Company under the Part XV of the SFO.
- As at the Latest Practicable Date, Mr. To Wing Tim, Paddy, an independent non-executive Director of the Company, together with his spouse, respective held of 62,932 Shares of the Company and 180,405 Shares of the Company. Accordingly, Mr. To was deemed to be interested in 243,337 Shares of the Company under Part XV of the SFO.

(b) Persons who have an interest or short position which is discloseable under Divisions 2 and 3 of Part XV of the SFO and substantial Shareholders

So far as is known to the Directors, as at the Latest Practicable Date, the following person (not being Directors or chief executive of the Company) had, or was deemed to have, interests or short positions in the Shares or underlying Shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or who were directly or indirectly interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group:

Name of Shareholder	Nature of Interest	Number of Shares and underlying Shares	Approximate percentage or attributable percentage of shareholding
Shun Wang Investments Limited (Note 1)	Beneficial Owner	1,468,419,047	51.15%
Whole Advance Limited (Note 1)	Interest of controlled corporation	1,468,419,047	51.15%
Liberal Expansion Limited (Note 1)	Interest of controlled corporation	1,468,419,047	51.15%
Zhao Xu Guang (Note 1)	Interest of controlled corporation	1,468,419,047	51.15%
Rontac Resources Company Limited (Note 2)	Beneficial owner	144,256,976	5.56%
Rontac Investment Company Limited (Note 2)	Interest of controlled corporation	144,256,976	5.56%

Notes:

- As at the Latest Practicable Date, Shun Wang Investments Limited was owned as to 100% by Whole Advance Limited, which voting ordinary shares were owned as to 100% by Liberal Expansion Limited, which in turn was owned as to 100% by Mr. Zhao Xu Guang, an executive Director and chairman of the Company. Accordingly, Mr. Zhao was deemed to be interested in 1,468,419,047 shares of the Company under the Part XV of the SFO.
- As at the Latest Practicable Date, Rontac Resources Company Limited was owned as to 100% by Rontac Investment Company Limited. Accordingly, Rontac Investment Company Limited was deemed to be interested in 144,256,976 shares of the Company under the Part XV of the SFO.

Save as disclosed above, as at the Latest Practicable Date, so far as was known to the Directors, there are no other person (other than the Directors and the chief executive of the Company) who had, or was deemed to have, interests or short positions in the Shares or underlying Shares, which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who was directly or indirectly interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group.

3. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors has entered into any service contract or management agreement, proposed or otherwise with any member of the Group (excluding contracts expiring or terminable by the employer within one year without payment of compensation other than statutory compensation).

4. COMPETING INTERESTS

As at the Latest Practicable Date, none of the Directors or substantial Shareholder or any of their respective associates has any interest in business which competes with or may compete with the business of the Group or has any other conflict of interests which any person has or may have with the Group.

5. LITIGATION

- (a) On 25 September 2015, 杭州熱聯集團股份有限公司 (Hangzhou Relian Group Holding Limited) (“**Hangzhou Relian**”) issued a writ of summons against (i) 張家港保稅區康輝國際貿易有限公司 (Zhangjiagang Kanghui International Trading Limited) (“**Kanghui International**”); and (ii) GRG Huscoke in relation to an alleged breach by Kanghui International of an agency agreement (as amended and supplemented by the supplemental agreement dated 5 May 2014) (the “**Agency Agreements**”) entered into on 30 December 2013 among Hangzhou Relian as the agent, Kanghui International as the principal and GRG Huscoke as the supplier and guarantor in relation to the supply of coke by GRG Huscoke to Kanghui International through Hangzhou Relian. According to the writ of summons, Hangzhou Relian claimed against Kanghui International and GRG Huscoke, for a sum of RMB4,318,000 (equivalent to HK\$5,098,000), being the outstanding sum payable by Kanghui International to Hangzhou Relian under the Agency Agreements.

During the year ended 31 December 2017, 浙江省杭州市江干區人民法院 has issued 民事判決書, pursuant to which, Kanghui International and GRG Huscoke were liable to pay Hangzhou Relian a sum of RMB4,350,000 (equivalent to HK\$5,136,000). There was no settlement on such balance for the Latest Practicable Date and the year ended 31 December 2018. In the opinion of the Directors, adequate provision has been made in the financial statements for the

six months ended 30 June 2019. To the best knowledge of the Directors, no further legal action has been lodged by Hangzhou Relian as at the Latest Practicable Date.

- (b) The Group received notification issued by 山西省太原市中級人民法院 (Shanxi Province Taiyuan City Intermediate People's Court) (the "**Court**") dated 20 May 2016 in which 山西國際物流有限公司 (Shanxi International Logistic Co., Ltd.) ("**Shanxi Logistic**") commenced legal action against GRG Huscoke. Pursuant to the statement of claim, GRG Huscoke failed to deliver goods and failed to repay the prepayment of RMB50,000,000 (equivalent to HK\$59,035,000) received from Shanxi Logistic in accordance with the cooperation agreements entered into by Shanxi Logistic and GRG Huscoke in March 2013, on 1 April 2014 and 1 May 2015 respectively. As a result, Shanxi Logistic demanded GRG Huscoke to repay RMB50,000,000 (equivalent to HK\$59,035,000) plus profits forgone of RMB14,894,000 (equivalent to HK\$17,410,000) and related legal expense of RMB183,000 (equivalent to HK\$214,000) up to 29 February 2016 as a result of the non-delivery of goods by GRG Huscoke.

During the year ended 31 December 2016, a civil mediation agreement (the "**Civil Mediation Agreement**") was entered into to confirm, among others, that the sums owed by GRG Huscoke to Shanxi Logistic amounted to RMB65,077,000 (equivalent to HK\$76,659,000) as of 11 April 2016 and such sums should be repaid on or before 30 May 2016. Subsequently, GRG Huscoke, Shanxi Logistic, the non-controlling shareholder and the controlling owner of the non-controlling shareholder (collectively, as the Guarantors of GRG Huscoke) entered into a settlement agreement (the "**Settlement Agreement**") regarding the execution of the Civil Mediation Agreement. Pursuant to the Settlement Agreement, GRG Huscoke shall settle RMB31,000,000 (equivalent to HK\$36,500,000) by instalments by 31 December 2016, and monthly instalments of RMB6,000,000 (equivalent to HK\$7,100,000) from January 2017 onwards until the full settlement of the outstanding sums (including interest accrued and to be accrued thereon).

As at 30 November 2019, that the sums owed by GRG Huscoke to Shanxi Logistic amounted to RMB57,877,000 (equivalent to HK\$64,620,000). The Group has been in negotiation with Shanxi Logistic to rearrange the payment schedule under the Settlement Agreement. To the best knowledge of the Directors, no further legal action was lodged by Shanxi Logistics up to the Latest Practicable Date. In the opinion of the Directors, appropriate provision has been made in the financial statements for the six months ended 30 June 2019 of the Group.

Save as the above, as at the Latest Practicable Date, no member of the Group was engaged in any litigation or arbitration of material importance and no litigation, arbitration or claim of material importance was known to the Directors to be pending or threatened against any member of the Group.

6. INTERESTS IN CONTRACTS AND ASSETS

As at the Latest Practicable Date, no contract or arrangement of significance in relation to the Group's business to which the Company or any of its subsidiaries was a party and in which any of the Directors had a material interest, whether directly or indirectly, subsisted as at the Latest Practicable Date.

None of the Directors has any direct or indirect interests in any assets which had been acquired or disposed of by or leased to, or which are proposed to be acquired or disposed of by or leased to, the Company or any of its subsidiaries during the period since 31 December 2018, the date to which the latest published audited financial statements of the Group were made up, up to and including the Latest Practicable Date.

7. MATERIAL CONTRACTS

The following contract(s) (not being contracts in the ordinary course of business) have been entered into by members of the Group within the two years immediately preceding the Latest Practicable Date which are or may be material:

- (i) the amendment letter dated 22 December 2017 and entered into between the Company and Kailuan (Hong Kong) International Co., Ltd. ("**Kailuan**") in relation to the amendment of certain terms of the convertible bonds in the principal amount of HK\$43,277,093.08 issued by the Company to Kailuan. On 8 March 2018, Kailuan transferred the convertible bonds to Rontac Resources Company Limited ("**Rontac**"). The extension of maturity date of convertible bonds to 31 August 2020 were approved at the special general meeting held on 9 April 2019;
- (ii) the subscription agreement dated 4 June 2018 and entered into between the Company as issuer and ADIB Holdings Limited as subscriber in relation to the issue of convertible bonds in the principal amount of HK\$80,000,000 by the Company to the subscriber, which has lapsed as announced in the announcement of the Company dated 28 December 2018;
- (iii) the conditional subscription agreement dated 20 July 2018 (the "**EDB Subscription Agreement**") and entered into, among others, between EDB Holding Limited and True Tycoon Limited, a wholly owned subsidiary of the Company as the purchaser in respect of the subscription of 13,556,527 shares of EDB Holding Limited for a consideration of RMB60,000,000 (or its US\$ equivalence);
- (iv) the conditional sale and purchase agreement dated 20 July 2018 (the "**EDB SPA**") and entered into among True Tycoon Limited, a wholly owned subsidiary of the Company as the purchaser, Massive Light Limited as the vendor and Chen Tao as the guarantor in relation to the sale and purchase of 12,910,978 ordinary shares in the issued share capital of EDB Holding Limited 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 (the "**EDB Consideration Shares**") to the vendor at the issue price of HK\$0.295 per consideration Share;

- (v) the agreement dated 31 December 2018 and entered into among the GRG Huscoke, Energy Technology, Jinyan Electricity, Xiaoyi ILNG and 温克忠 Wen Kezhong*, pursuant to which Energy Technology shall replace Jinyan Electricity to repay all outstanding indebtedness owed by Jinyan Electricity to the GRG Huscoke (which amounted RMB402,303,023 as at 30 June 2018) and a conversion right was granted to the GRG Huscoke;
- (vi) the framework agreement dated 18 March 2019 and entered into among the Company, the GRG Huscoke and Energy Technology, pursuant to which the Company, the GRG Huscoke and/or designated company within the Group intend to gradually invest in Energy Technology;
- (vii) the subscription agreement dated 4 June 2019 and entered into between the Company and Rontac as subscriber in relation to the subscription of convertible bonds in principal amount of HK\$98,800,000 at the initial conversion price of HK\$0.26 per Share, which has lapsed as announced in the announcement of the Company dated 31 October 2019;
- (viii) the facility agreement dated 27 June 2019 and entered between the Company and China Cinda (HK) Asset Management Co., Limited (“**China Cinda**”) as lender relating to a term facility agreement of HK\$200,000,000 (“**Facility Letter**”);
- (ix) the amendment and restatement agreement dated 8 July 2019 and entered into between the Company and China Cinda as the borrower in relation to the Facility Letter;
- (x) the settlement agreement dated 6 September 2019 and entered into among True Tycoon Limited, a wholly owned subsidiary of the Company, EDB Holdings Limited, Massive Light Limited and Chen Tao in relation to the settlement of the EDB SPA and the EDB Subscription Agreement and the distribution of the EDB Consideration Shares;
- (xi) the Shareholders Agreement and the Supplemental Shareholders Agreement;
- (xii) the cooperation framework agreement dated 26 October 2019 entered among the Company, Hunan Yingde Industrial Gas Co., Ltd, Shanxi Jinyan Fine Chemical Technology Company Limited and Energy Technology, pursuant to which the Parties set out the general principles of possible business cooperation regarding a project to invest in production facilities for LNG, synthetic ammonia, urea and related products in the Shanxi Province, the PRC; and
- (xiii) the new framework agreement dated 5 November 2019 and entered into among the Company, the GRG Huscoke, Jinyan Electricity, Jianeng Coal, Energy Technology, Xiaoyi ILNG, Mr. Yang Linhai and Mr. Wu Tangjun, pursuant to which the Company and/or designated company within the Group intend to acquire and to subscribe for the share capital of Energy Technology such that the

Company and/or designated company will be interested in a controlling shareholding of more than 50% of its enlarged share capital of Energy Technology.

8. MISCELLANEOUS

- (a) The registered office of the Company is located at Victoria Place, 5th Floor, 31 Victoria Street, Hamilton HM 10, Bermuda.
- (b) The principal office of the Company is Room 2301, 23/F., Tower One, Lippo Centre, 88 Queensway, Admiralty, Hong Kong.
- (c) The branch share registrar and transfer office in Hong Kong of the Company is Tricor Secretaries Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong.
- (d) The company secretary of the Company is Mr. Li Chi Chung who is a practicing solicitor in Hong Kong.

9. DOCUMENTS FOR INSPECTION

Copies of the following documents are available for inspection at the principal place of business of the Company in Hong Kong at Room 2301, 23/F., Tower One, Lippo Centre, 89 Queensway, Admiralty, Hong Kong during normal business hours on any business day from the date of this circular up to and including the date of SGM:

- (a) the memorandum and bye-laws of the Company;
- (b) the annual reports of the Company for each of the three financial years ended 31 December 2016, 2017 and 2018 and the interim report of the Company for the six months ended 30 June 2019;
- (c) the material contracts referred to under the paragraph "Material contracts" in this appendix; and
- (d) this circular.



HUSCOKE HOLDINGS LIMITED

和嘉控股有限公司

(Incorporated in Bermuda with limited liability)

(Stock code: 704)

NOTICE OF SPECIAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that a special general meeting (the “SGM”) of the shareholders (the “Shareholders”) of Huscoke Holdings Limited (the “Company”) will be held at Room 2301, 23/F, Tower One, Lippo Centre, 89 Queensway, Admiralty, Hong Kong on Tuesday, 11 February 2020 at 3:00 p.m. for the purpose of considering and, if thought fit, passing with or without amendments, the following resolution as ordinary resolution of the Company:

“THAT

- (a) the conditional shareholders agreement dated 12 September 2019 (as supplemented and amended by the supplemental agreement dated 20 November 2019) (the “Shareholders Agreement”) entered into among Bloom Wealth Investment Limited 興財投資有限公司 (the “Hong Kong Subsidiary”), an indirect wholly-owned subsidiary of the Company and Shanxi Baimaoyuan Trading Co., Ltd* 山西百懋源貿易有限公司 (the “PRC JV Partner”) in relation to, among others, the establishment of the joint venture company under the proposed name of Shanxi Golden Rock Rich Hydrogen Energy Co., Ltd.* 山西金岩富氫能源有限公司 and the transactions contemplated thereunder, be and are hereby approved, confirmed and ratified; and
- (b) any one or more Directors be and are hereby authorised to sign, execute, perfect, deliver and do all such documents, deeds, acts, matters and things, as the case may be, as they may in their discretion consider necessary desirable or expedient to carry out and implement the Shareholders Agreement and the transactions contemplated thereunder into full effect and to agree to such variation, amendment or waiver as are in the reasonable opinion of the Directors in the interests of the Company and its Shareholders as a whole provided that such variation, amendment or waiver shall not be fundamentally different from the terms as provided in the Shareholders Agreement.”

By order of the Board
HUSCOKE HOLDINGS LIMITED
Zhao Xu Guang
Chairman and Executive Director

Hong Kong, 23 January 2020

* *for identification purpose only*

NOTICE OF SGM

Registered Office:
Victoria Place
5th Floor
31 Victoria Street
Hamilton HM 10
Bermuda

Principal Office:
Room 2301, 23/F
Tower One, Lippo Centre
89 Queensway
Admiralty
Hong Kong

Notes:

1. A member entitled to attend and vote at the SGM is entitled to appoint one or more proxy to attend and, subject to the provisions of the bye-laws of the Company, to vote on his behalf. A proxy need not be a member of the Company but must be present in person at the SGM to represent the member. If more than one proxy is so appointed, the appointment shall specify the number and class of shares in respect of which each such proxy is so appointed.
2. A form of proxy for use at the SGM is enclosed. Whether or members intend to attend the SGM in person, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon. Completion and return of a form of proxy will not preclude a member from attending in person and voting at the SGM or any adjournment thereof, should he so wish.
3. In order to be valid, the form of proxy, together with a power of attorney or other authority, if any, under which it is signed, or a certified copy of such power or authority must be deposited at 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, not less than 48 hours before the time appointed for holding the SGM or any adjournment thereof.
4. In the case of joint holders of shares, any one of such holders may vote at the SGM, either personally or by proxy, in respect of such share as if he was solely entitled thereto, but if more than one of such joint holder are present at the SGM personally or by proxy, that one of the said persons so present whose name stands first on the register of members of the Company in respect of such shares shall alone be entitled to vote in respect thereof.
5. The register of members of the Company will be closed from Thursday, 6 February 2020 to Tuesday, 11 February 2020 (both days inclusive), during which period no transfer of shares will be registered.
6. If Typhoon Signal No. 8 or above, or a "black" rainstorm warning is in effect any time after 12:00 noon on the date of the SGM, the SGM will be rescheduled. The Company will post an announcement on the website of the Company at www.huscoke.com and on the HKEX news website of The Stock Exchange of Hong Kong Limited at www.hkexnews.hk to notify shareholders of the Company of the date, time and place of the rescheduled SGM.
7. Pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, the voting on all resolutions at the SGM will be conducted by way of poll.