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## **HUSCOKE HOLDINGS LIMITED**

### **和嘉控股有限公司**

*(Incorporated in Bermuda with limited liability)*

**(Stock code: 704)**

#### **INSIDE INFORMATION AND SUPPLEMENTAL ANNOUNCEMENT IN RELATION TO THE ESTIMATED ANNUAL RESULTS FOR 2019**

This announcement is made by Huscoke Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Reference is made to the announcement of the Company dated 7 February 2020 (the “**Announcement**”). Capitalised terms used herein shall have the same meanings as defined in the Announcement unless the context requires otherwise.

The Board anticipates that the Group generated profit continually in the financial year ended 31 December 2019 (the “**Year 2019**”), but the corresponding operational segment’s profit would decline in comparison with that of fiscal year ended 31 December 2018 (the “**Year 2018**”). The two major reasons of profit declination as mentioned in the Announcement have affected the financial performance of the Group for the Year 2019 as below:

#### **1. Market and operation factor(s)**

- (i) The average market price (excluding value-added tax) of coke, which is the major product of the Group, has declined from approximately RMB 1,774.18 per ton in Year 2018 to approximately RMB 1,662.00 per ton in Year 2019;
- (ii) The unaudited operational gross profit realized in the Year 2019 was approximately RMB160,890,000, which is expected to decrease approximately 34% in comparison with the audited operational gross profit of RMB 245,820,000 realized for the Year 2018; and

- (iii) Given the absorption effect of the prevailing tax losses brought forward from prior years, the Group was not subject to the charge of PRC Enterprise Income tax in the Year 2018. Upon the complete utilization of tax losses brought forward from prior years, the Group would be subject to the charge of PRC Enterprise Income tax for the Year 2019. Accordingly, the realized net profit after PRC Enterprise Income tax of the operating entity in the PRC for the Year 2019 would be approximately RMB 46,780,000 (unaudited).

## **2. Reversal of impairment loss on items of Property, Plant and Equipment (“PPE”) factor**

The reversal of impairment loss on items of PPE (“Impairment”) was approximately HK\$99,000,000 as stated in the audited consolidated financial statement of the Group in the Year 2018. A large scale of reversal of impairment on PPE is unlikely to recur again in Year 2019.

Further announcement(s) would be made by the Company as and when appropriate in accordance with the Listing Rules.

The information contained in this announcement is only based on the preliminary assessment of the unaudited consolidated management accounts of the Group by the Company. Such information has not been audited or reviewed by the Company’s auditors and/or the Audit Committee of the Board and therefore may be subject to adjustment.

Shareholders of the Company and potential investors should be cautious when dealing in the securities of the Company.

By order of the Board of  
**Husoke Holdings Limited**  
**Zhao Xu Guang**  
*Chairman and Executive Director*

Hong Kong, 14 February 2020

*As at the date of this announcement, the Board comprises Mr. Zhao Xu Guang (Chairman), Mr. Li Qinghua and Mr. Wang Yijun as executive Directors; Mr. Wong Siu Hung, Patrick, Mr. Huang Man Yem and Mr. Jiang Jiansheng as non-executive Directors; Mr. Lam Hoy Lee, Laurie, Mr. To Wing Tim, Paddy and Dr. Wang Wei Hsin as independent non-executive Directors.*