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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

COMMENCEMENT OF LITIGATION

This announcement is made by Huscoke Holdings Limited (the “**Company**” and, 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 (Cap. 571 of the Laws of Hong Kong).

Reference is made to the announcement of the Company dated 6 September 2019 (the “**Announcement**”), in relation to, the Settlement Agreement for the repurchase of the Sale Shares and the Subscription Shares under the SPA and the Subscription Agreement dated 6 September 2019 entered into between True Tycoon Limited, a wholly owned subsidiary of the Company, Mr. Chen Tao and EDB Holdings Limited, a subsidiary wholly-owned by Mr. Chen Tao, Massive Light Limited and EDB Holding Limited. Pursuant to the terms of the Settlement Agreement, Mr. Chen Tao and EDB Holdings Limited were required to pay True Tycoon Limited RMB20,000,000 on or before 16 December 2019, plus an interest rate of 8% per annum (calculate from 7 September 2018 until the date of actual payment) (the “**Outstanding payment**”), to repurchase the shares of EDB Holding Limited. Unless otherwise defined, capitalised terms used in this announcement shall have the same meanings as defined in the Announcement.

As of the date of this announcement, although True Tycoon Limited has demanded the payment many times, Mr. Chen Tao and EDB Holdings Limited still have not settled the above-mentioned Outstanding Payment, which constitutes a serious breach of agreement. Accordingly, on 28 January 2021, True Tycoon Limited, as plaintiff, has instituted legal proceeding against Mr. Chen Tao, as defendant, in the High Court of the Hong Kong Special

Administrative Region and issued a writ of summons to Mr. Chen Tao to claim for the Outstanding Payment.

The Company will proactively advocate and enforce its rights in the legal proceeding in accordance with applicable laws and make further announcement(s) as and when appropriate to keep its shareholders and potential investors informed of any significant developments in connection with the legal proceeding.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.

By order of the Board
Huscoke Holdings Limited
Au Wing Sze
Company Secretary

Hong Kong, 28 January 2021

As at the date of this announcement, the Board comprises Mr. Zhao Xu Guang (Chairman), 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.