

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



HUSCOKE HOLDINGS LIMITED

和嘉控股有限公司

(Incorporated in Bermuda with limited liability)

(Stock code: 704)

**ANNOUNCEMENT OF UNAUDITED ANNUAL RESULTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

The board (the “**Board**”) of directors (the “**Directors**”) of Husoke Holdings Limited (the “**Company**”) announces the unaudited consolidated results of the Company and its subsidiaries (collectively, the “**Group**”) for the financial year ended 31 December 2020 together with the relevant audited comparative figures for the last financial year ended 31 December 2019 as follows:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2020

	<i>Note</i>	2020 HK\$'000 (Unaudited)	2019 HK\$'000 (Audited)
Revenue	4	1,176,982	1,605,356
Cost of sales		<u>(1,050,092)</u>	<u>(1,429,499)</u>
Gross profit		126,890	175,857
Other income and gains, net	4	105,791	68,452
Selling and distribution costs		(10,953)	(123,024)
Administrative expenses		(86,071)	(88,018)
Finance costs	5	(20,684)	(11,409)
Other operating income, net	6(b)	13,355	4,392
Impairment loss on items of property, plant and equipment	6	<u>(485,313)</u>	<u>–</u>
(LOSS)/PROFIT BEFORE TAX	6	(356,985)	26,250
Income tax expense	7	<u>(14,032)</u>	<u>(11,547)</u>
(LOSS)/PROFIT FOR THE YEAR		<u><u>(371,017)</u></u>	<u><u>14,703</u></u>
Other comprehensive income items that may be reclassified subsequently to profit or loss			
Exchange differences arising on translation of foreign operations		<u>15,889</u>	<u>2,067</u>
Other comprehensive income for the year, net of tax		<u><u>15,889</u></u>	<u><u>2,067</u></u>
Total comprehensive (expenses)/income for the year		<u><u>(355,128)</u></u>	<u><u>16,770</u></u>

	<i>Note</i>	2020 HK\$'000 (Unaudited)	2019 <i>HK\$'000</i> (Audited)
(Loss)/Profit for the year attributable to:			
Owners of the Company		(336,572)	9,761
Non-controlling interests		<u>(34,445)</u>	<u>4,942</u>
		<u>(371,017)</u>	<u>14,703</u>
Total comprehensive (loss)/income attributable to:			
Owners of the Company		(322,131)	12,148
Non-controlling interests		<u>(32,997)</u>	<u>4,622</u>
		<u>(355,128)</u>	<u>16,770</u>
(Losses)/earnings per share			
Basic	8	<u>(HK12.94 cents)</u>	<u>HK0.35 cents</u>
Diluted		<u>(HK12.94 cents)</u>	<u>HK0.35 cents</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 31 DECEMBER 2020

	<i>Note</i>	2020 <i>HK\$'000</i> (Unaudited)	2019 <i>HK\$'000</i> (Audited)
Non-current assets			
Property, plant and equipment		95,333	576,422
Financial assets at fair value through profit or loss		<u>1,508</u>	<u>1,508</u>
Total non-current assets		<u>96,841</u>	<u>577,930</u>
Current assets			
Inventories		60,237	43,459
Trade receivables	9	658,743	643,781
Prepayments, deposits and other receivables	10	702,925	770,041
Restricted bank deposits	12	–	5,038
Cash and bank balances	12	<u>21,119</u>	<u>20,839</u>
Total current assets		<u>1,443,024</u>	<u>1,483,158</u>
Current liabilities			
Trade payables	13	375,114	476,658
Other payables, accruals and deposit received	14	677,655	735,312
Other borrowings		–	18,188
Lease liabilities		4,720	1,134
Tax payable		<u>20,480</u>	<u>16,116</u>
Total current liabilities		<u>1,077,969</u>	<u>1,247,408</u>
Net current assets		<u>365,055</u>	<u>235,750</u>
Total assets less current liabilities		<u>461,896</u>	<u>813,680</u>

	<i>Note</i>	2020 HK\$'000 (Unaudited)	2019 <i>HK\$'000</i> <i>(Audited)</i>
Non-current liabilities			
Other payables and deferred income	14	5,344	5,034
Other borrowings		200,000	200,000
Lease liabilities		8,214	8,424
Deferred tax liability		5,938	5,593
		<hr/>	<hr/>
Total non-current liabilities		219,496	219,051
		<hr/> <hr/>	<hr/> <hr/>
NET ASSETS		242,400	594,629
		<hr/> <hr/>	<hr/> <hr/>
EQUITY			
Equity attributable to owners of the company			
Share capital		28,707	28,707
Reserves		193,581	512,813
		<hr/>	<hr/>
		222,288	541,520
Non-controlling interests		20,112	53,109
		<hr/>	<hr/>
TOTAL EQUITY		242,400	594,629
		<hr/> <hr/>	<hr/> <hr/>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2020

1. CORPORATE INFORMATION

Huscoke Holdings Limited was incorporated in Bermuda as an exempted company with limited liability and its shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). The registered office is located at Victoria Place, 5th Floor, 31 Victoria Street, Hamilton HM 10, Bermuda and the principal office is located at Room 2301, 23/F., Tower One, Lippo Centre, 89 Queensway, Admiralty, Hong Kong.

During the year, the Group were involved in the following activities:

- coke trading business;
- coal-related ancillary business; and
- coke production business.

2.1 BASIS OF PREPARATION

(a) Statement of compliance

These consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“**HKFRSs**”), which collective term includes all applicable HKFRSs, Hong Kong Accounting Standards (“**HKASs**”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. The consolidated financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

(b) Basis of measurement

The consolidated financial statements have been prepared under the historical cost basis except for certain financial instruments, which are measured at fair values.

(c) Basis of presentation

These financial statements are presented in Hong Kong dollars (“**HK\$**”) and all values are rounded to the nearest thousand except when otherwise indicated.

2.2 ADOPTION OF HKFRSs

(a) Adoption of new/revised HKFRSs – effective 1 January 2020

The Group has applied the following standards and amendments for the first time for their annual reporting period commencing 1 January 2020:

Amendments to HKFRS 3	Definition of a business
Amendments to HKAS 1 and HKAS 8	Definition of material
Amendments to HKFRS 9, HKAS 39 and HKFRS 7	Interest rate benchmark reform

The adoption of the amended HKFRSs had no material impact on how the results and financial position for the current and prior periods have been prepared and presented.

(b) New/revised HKFRSs that have been issued but are not yet effective

The following new/revised HKFRSs, potentially relevant to the Group's consolidated financial statements, have been issued, but are not yet effective and have not been early adopted by the Group. The Group's current intention is to apply these changes on the date they become effective.

HKFRS 17	Insurance contracts ¹
Amendments to HKFRS 10 and HKAS 28	Sale or contribution of assets between an investor and its associate or joint venture ²

¹ Effective for annual periods beginning on or after 1 January 2021

² The amendments were originally intended to be effective for periods beginning on or after 1 January 2017. The effective date has now been deferred/removed. Early application of the amendments of the amendments continue to be permitted.

HKFRS 17 – Insurance Contracts

HKFRS 17 will replace HKFRS 4 as a single principle-based standard for the recognition, measurement, presentation and disclosure of insurance contracts in the financial statements of the issuers of those contracts.

Amendments to HKFRS 10 and HKAS 28 – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The amendments clarify the extent of gains or losses to be recognised when an entity sells or contributes assets to its associate or joint venture. When the transaction involves a business the gain or loss is recognised in full, conversely when the transaction involves assets that do not constitute a business the gain or loss is recognised only to the extent of the unrelated investors' interests in the joint venture or associate.

The Group is not yet in a position to state whether these new pronouncements will result in substantial changes to the Group's accounting policies and financial statements.

3. OPERATING SEGMENTS INFORMATION

For management purposes, the Group is organised into business units based on their products and services and has the following reportable operating segments:

- (a) the coke trading segment – purchases and sales of coke and coal;
- (b) the coal-related ancillary segment – washing of raw coal into refined coal for sale and for further processing, and sale of electricity and heat which are generated as the by-products during the washing of raw coal; and
- (c) the coke production segment – processing of refined coal into coke for sales, and sale of coke by-products that are generated during coke production.

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on reportable segment profit/(loss), which is a measure of adjusted profit/(loss) before tax. The adjusted profit/(loss) before tax is measured consistently with the Group's profit/(loss) before tax except that interest income and sundry income, corporate and administrative expenses, unallocated other operating income, unallocated finance costs and income tax expense are excluded from such measurement.

Segment assets exclude cash and bank balances, restricted bank deposits, financial assets at fair value through profit or loss, interest in an associate and other unallocated head office and corporate assets as these assets are managed on a group basis.

Segment liabilities exclude other borrowings, lease liabilities, convertible bonds for corporate use, deferred tax liabilities and other unallocated head office and corporate liabilities as these liabilities are managed on a group basis.

Intersegment sales and transfers are transacted at cost plus a certain percentage of mark-up.

Segments revenue and results

For the year ended 31 December 2020 (Unaudited)

	Coke trading HK\$'000	Coal-related ancillary HK\$'000	Coke Production HK\$'000	Eliminations HK\$'000	Total HK\$'000
Segment revenue					
– external sale	39,442	65,599	1,071,941	–	1,176,982
– intersegment sale	–	17,144	–	(17,144)	–
Other income	–	36,168	–	–	36,168
Total	39,442	118,911	1,071,941	(17,144)	1,213,150
Segment results	3,781	(89,818)	(247,170)	–	(333,207)
Interest income and sundry income					69,622
Corporate administrative expenses (<i>Note</i>)					(86,071)
Unallocated other operating income					13,355
Unallocated finance costs					(20,684)
Loss before tax					(356,985)
Income tax expense					(14,032)
Loss for the year					(371,017)

Note: Unallocated corporate administrative expenses mainly include corporate's staff cost and Directors' remuneration, legal and professional fee, PRC local tax and depreciation of unallocated property, plant and equipment.

The revenue of coal-ancillary segment includes revenue from transportation service of HK\$Nil (2019: HK\$986,000), sales of electricity and heat of HK\$65,599,000 (2019: HK\$75,119,000) and sales of by-products of HK\$Nil (2019: HK\$92,400,000).

For the year ended 31 December 2019 (Audited)

	Coke trading HK\$'000	Coal-related ancillary HK\$'000	Coke Production HK\$'000	Eliminations HK\$'000	Total HK\$'000
Segments revenue					
– external sale	2,540	168,505	1,434,311	–	1,605,356
– intersegment sale	–	108,288	–	(108,288)	–
Other income	–	45,878	–	–	45,878
	<u>2,540</u>	<u>322,671</u>	<u>1,434,311</u>	<u>(108,288)</u>	<u>1,651,234</u>
Total	2,540	322,671	1,434,311	(108,288)	1,651,234
Segments results	<u>–</u>	<u>861</u>	<u>97,849</u>	<u>–</u>	<u>98,710</u>
Interest income and sundry income					8,809
Compensation income from contract with customer					10,126
Interest income from bills receivable and other receivables					3,639
Gain on exercise the put option for the disposal of interest in an associate, net					1,054
Unallocated other operating income					12,321
Share of results from an associate					(8,982)
Corporate administrative expenses (<i>Note</i>)					(88,018)
Unallocated finance costs					<u>(11,409)</u>
Profit before tax					26,250
Income tax expense					<u>(11,547)</u>
Profit for the year					<u><u>14,703</u></u>

Note: Unallocated corporate administrative expenses mainly include corporate's staff cost and Directors' remuneration, legal and professional fee, PRC local tax and depreciation of unallocated property, plant and equipment.

Segment assets and liabilities

At 31 December 2020 (Unaudited)

	Coke trading HK\$'000	Coal-related ancillary HK\$'000	Coke Production HK\$'000	Corporate and unallocated HK\$'000	Total HK\$'000
Assets	–	297,650	600,726	641,489	<u>1,539,865</u>
Liabilities	–	520,322	414,791	362,352	<u>1,297,465</u>

At 31 December 2019 (Audited)

	Coke trading HK\$'000	Coal-related ancillary HK\$'000	Coke Production HK\$'000	Corporate and unallocated HK\$'000	Total HK\$'000
Assets	2,851	358,889	1,038,714	660,634	<u>2,061,088</u>
Liabilities	1,135	493,775	572,425	399,124	<u>1,466,459</u>

For the purposes of monitoring segment performances and allocating resources between segments:

- * *all assets are allocated to operating segments other than certain plant and equipment, financial assets at fair value through profit or loss, certain prepayments, deposits and other receivables, restricted bank deposits and cash and bank balances; and*
- * *all liabilities are allocated to operating segments other than certain other payables and accruals, lease liabilities, other borrowings, tax payable, deferred tax liability.*

Other segment information

For the year ended 31 December 2020 (Unaudited)

	Coke trading HK\$'000	Coal-related ancillary HK\$'000	Coke Production HK\$'000	Corporate and unallocated HK\$'000	Total HK\$'000
Additions of property, plant and equipment	–	31,533	–	67	<u>31,600</u>
Depreciation	–	12,187	20,856	4,072	<u>37,115</u>
Compensation income from contract with customer	–	–	–	(14,130)	<u>(14,130)</u>
Interest income from bills receivables and other receivables	–	–	–	(53,993)	<u>(53,993)</u>
Interest expenses on discount bills, other borrowings and convertible bonds	–	–	–	20,684	<u>20,684</u>
Provision of impairment loss on items of property, plant and equipment	–	89,405	395,908	–	<u>485,313</u>

For the year ended 31 December 2019 (Audited)

	Coke trading HK\$'000	Coal-related ancillary HK\$'000	Coke Production HK\$'000	Corporate and unallocated HK\$'000	Total HK\$'000
Additions of property, plant and equipment	–	999	2,791	14,046	<u>17,836</u>
Depreciation	–	2,777	12,148	2,429	<u>17,354</u>
Compensation income from contract with customer	–	–	–	(10,126)	<u>(10,126)</u>
Interest income from bills receivable and other receivables	–	–	–	(3,639)	<u>(3,639)</u>
Gain on exercise the put option for the disposal of interest in an associate, net	–	–	–	(1,054)	<u>(1,054)</u>
Share of results from an associate	–	–	–	8,982	<u>8,982</u>
Unallocated interest expenses on discount bills, other borrowings and convertible bonds	–	–	–	11,409	<u>11,409</u>
(Reversal)/provision of loss allowance of trade receivables, net	–	(6,305)	5,924	–	<u>(381)</u>
Provision of loss allowance of other receivables, net	–	–	–	1,235	<u>1,235</u>

Other segment information

Geographical Information

(a) Revenue from external customers

The Group's revenue, expenses, results, assets and liabilities and capital expenditures are predominantly attributable to a single geographical region, the PRC, which is the Group's principal place of business and operations during the years ended 31 December 2020 and 2019. Therefore, no analysis by geographical region is presented. The revenue information is based on the locations of the customers.

(b) Non-current assets

	2020 <i>HK\$'000</i> (Unaudited)	2019 <i>HK\$'000</i> (Audited)
Hong Kong	5,398	2,746
The PRC	89,935	573,676
	<u>95,333</u>	<u>576,422</u>

The non-current asset information is based on the locations of the assets and excludes financial instruments.

Information about major customers

Revenues from external customers individually contributing 10% or more of the total revenue from the Group are as follows:

	2020 <i>HK\$'000</i> (Unaudited)	2019 <i>HK\$'000</i> (Audited)
Customer A	668,510	—*
Customer B	—*	279,356
Customer C	241,603	—*
Customer D	—*	455,622
	<u>910,113</u>	<u>734,978</u>

* These customers did not individually contribute 10% or more of the total revenue from Group in 2020 or 2019.

4. REVENUE AND OTHER INCOME AND GAINS

Revenue represents the net invoiced value of goods sold, after allowances for returns and trade discounts, and the value of services rendered during the year. An analysis of revenue and other income and gains are as follows:

	2020 <i>HK\$'000</i> (Unaudited)	2019 <i>HK\$'000</i> (Audited)
Revenue from contracts with customers within HKFRS 15		
Transportation service	–	986
Sales of electricity and heat	65,599	75,119
Sales of medium coal, coke and by-products	1,111,383	1,529,251
	1,176,982	1,605,356
Other income and gains, net		
Compensation income from contract with customer	14,130	10,126
Interest income from bank deposits, calculated using effective interest method	178	160
Interest income from bills receivable and other receivables	53,993	3,639
Governments grant (<i>Note a</i>)	36,168	45,878
Loss arising from amendments to convertible bonds	–	(185)
Sundry income	1,322	8,834
	105,791	68,452

Note:

(a) *Government grant have been received for supplying heat in the PRC. There are no unfulfilled conditions or contingencies relating to these grants.*

The revenue from contracts with customers within HKFRS 15 is based on fixed price and recognised at a point in time. The amount of revenue recognised for the year ended 31 December 2020 that was included in the contract liabilities at the beginning of the year is approximately HK\$424,546,000 (2019: HK\$188,452,000).

5. FINANCE COSTS

An analysis of finance costs are as follows:

	2020 <i>HK\$'000</i> (Unaudited)	2019 <i>HK\$'000</i> (Audited)
Interest expenses on other borrowings	20,000	9,638
Interest expenses on convertible bonds	–	1,123
Interest expenses on lease liabilities (<i>Note</i>)	684	648
	<u>20,684</u>	<u>11,409</u>

Note: The Group has initially applied HKFRS 16 as at 1 January 2019 using the cumulative effect approach.

6. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging/(crediting):

	2020 <i>HK\$'000</i> (Unaudited)	2019 <i>HK\$'000</i> (Audited)
Cost of inventories	1,050,092	1,429,499
Auditor's remuneration	1,350	1,300
Depreciation		
– Owned	37,115	17,354
– Right-of-use assets (<i>Note c</i>)	4,077	3,413
Operating lease payments in respect leasehold interests in land and rented properties (<i>Note c</i>)	–	–
Employee benefit expense (including Director's remuneration):		
– Wages and salaries	49,889	42,108
– Pension scheme contributions (<i>Note a</i>)	14,263	12,797
	<u>64,152</u>	<u>54,905</u>
Reversal of allowance of trade receivables, net (<i>Note b</i>)	–	(381)
Loss allowance of prepayments, net (<i>Note b</i>)	–	1,235
Impairment loss on items of property, plant and equipment	485,313	–
Gain on exercise the put option for the disposal of interest in an associate, net (<i>Note b</i>)	–	(1,054)
Gain on disposal of property, plant and equipment	(312)	(2,023)
Share of result from interest in an associate	–	8,982
	<u>–</u>	<u>8,982</u>

Notes:

- (a) As at 31 December 2020 and 2019, the Group had no forfeited contributions available to reduce its contributions to the pension schemes in future years.
- (b) These balances are included in “Other operating income, net” in the consolidated profit or loss.
- (c) The Group has initially applied HKFRS 16 using the cumulative effect approach. After initial recognition of right-of-use assets at 1 January 2019, the Group as a lessee is required to recognise the depreciation of right-of-use assets, instead of the previous policy of recognising operating lease payments in respect leasehold interests in land and rented properties incurred under operating leases on a straight-line basis over the lease term. Under this approach, the comparative information is not restated.

7. INCOME TAX EXPENSE

No provision for Hong Kong profits tax was made as there were no assessable profits arising in Hong Kong during the years ended 31 December 2020 and 2019.

The income tax provision in respect of operations in the PRC is calculated at the applicable tax rates of 25% on the estimated assessable profits for the year based on existing legislation, interpretations and practices.

	2020 HK\$'000 (Unaudited)	2019 HK\$'000 (Audited)
Current – Hong Kong	–	–
Current – The PRC		
Charge for the year	13,782	17,564
Under/(over) provision in prior years	250	(385)
	14,032	17,179
Deferred tax credit for the year	–	(5,632)
Total tax expenses for the year	14,032	11,547

8. (LOSSES)/EARNINGS PER SHARE

For the year ended 31 December 2020, the calculation of the basic earnings per share amount is based on the loss for the year attributable to owners of the Company of HK\$336,572,000, and the weighted average number of ordinary shares of 2,601,731,575.

For the year ended 31 December 2019, the calculation of the basic earnings per share amount is based on the profit for the year attributable to owners of the Company of HK\$9,761,000, and the weighted average number of ordinary shares of 2,778,693,956.

No diluted losses per share has been presented as there were no potential ordinary shares outstanding for the year ended 31 December 2020.

The calculation of diluted earnings per share amount for the year ended 31 December 2019 is based on the profit for the year attributable to owners of the Company, adjusted to reflect the interest and profit arising from amendment to the convertible bonds. The weighted average number of ordinary shares used in the calculation is the number of ordinary shares in issue during the year, as used in the basic earnings per share calculation, and the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed conversion of all dilutive potential ordinary shares into ordinary shares.

	2019 HK\$'000 (Audited)
Earnings	
Profit attributable to owners of the Company used in the basic earnings per share calculation	9,761
Add: Interest expense on convertible bonds	<u>1,123</u>
Profit attributable to owners of the Company used in the diluted earnings per share calculation	<u><u>10,884</u></u>
	Number of shares 2019
Shares:	
Weighted average number of ordinary shares in issue during the year used in the basic earnings per share calculation	2,778,693,956
Effect of dilution – weighted average number of ordinary shares:	
Convertible bonds (<i>Note</i>)	<u>108,026,135</u>
Weighted average number of ordinary shares used in the diluted earnings per share calculation	<u><u>2,886,720,091</u></u>

Note: Share options were not considered in the effect of dilution as it had no diluting effect on the basic earnings per share for the year ended 31 December 2019 and were ignored in the calculation of diluted earnings per share.

9. TRADE RECEIVABLES

	2020 <i>HK\$'000</i> (Unaudited)	2019 <i>HK\$'000</i> (Audited)
Trade receivables:		
– third parties	445,687	320,159
– related companies	39,573	142,660
– non-controlling shareholder of a subsidiary	228,890	233,149
	<u>714,150</u>	<u>695,968</u>
Less: loss allowance	(55,407)	(52,187)
	<u>658,743</u>	<u>643,781</u>

The carrying amounts of trade receivables approximate their fair values.

The ageing analysis of the trade receivables (net of loss allowance) by invoice date at the end of the reporting period is as follows:

	2020 <i>HK\$'000</i> (Unaudited)	2019 <i>HK\$'000</i> (Audited)
Within 3 months	248,827	251,163
3 to 4 months	15,218	55,158
Over 4 months	394,698	337,460
	<u>658,743</u>	<u>643,781</u>

10. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	2020 <i>HK\$'000</i> (Unaudited)	2019 <i>HK\$'000</i> (Audited)
Other receivables due from the non-controlling shareholder of a subsidiary	263,697	248,377
Prepayments and other receivables due from related companies	165,300	100,533
Prepayments, deposits and other receivables due from other parties (<i>Note</i>)	288,462	434,819
Less: loss allowance	(14,534)	(13,688)
	<u>702,925</u>	<u>770,041</u>

Note: The balance included prepayments to suppliers of raw materials for the coal-related ancillary and the coke production businesses which are unsecured, non-interest-bearing and are to be settled with future purchases.

The carrying amounts of deposits and other receivables approximate their fair values.

11. AMOUNT DUE FROM THE NON-CONTROLLING SHAREHOLDER

	2020 HK\$'000 (Unaudited)	2019 HK\$'000 (Audited)
Current		
Trade receivables (note 9) (Notes a and c)	228,890	233,149
Other receivables (note 10) (Notes b and c)	263,697	248,377
	492,587	481,526

The carrying amounts of the above balances approximate their fair values.

Notes:

- (a) The balances are trade in nature and have a credit term of 120 days (2019: 120 days), which are similar to those granted to major trading customers of the Group.
- (b) The balances are advances to the non-controlling shareholder, which are repayable on demand.
- (c) On 31 December 2018, the GRG Huscoke (Shanxi) LTD 山西金岩和嘉能源有限公司, an indirect 90%-owned subsidiary of the Company (“**GRG Huscoke**”) entered into a debt transfer agreement with Xiaoyi Jinyan Electricity Coke Chemical Company Limited* 孝義市金岩電力煤化工有限公司 (“**Jinyan Electricity**”), 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**”) and Shanxi Jinyan Energy Technology Company Limited* 山西金岩能源科技有限公司 (“**Energy Technology**”) (the “**Debt Assignee**”), and Mr. Wen Kezhong* 溫克忠先生, pursuant to which the GRG Huscoke, the Jinyan Electricity and Debt Assignee agreed to assign the trade and other receivables from the Jinyan Electricity of approximately RMB365,826,000 (equivalent to approximately HK\$411,627,000) together with aggregate amounts due from its affiliates of approximately RMB36,477,000 (equivalent to approximately HK\$41,044,000) to the Debt Assignee (together the “**Assigned Debt**”) (the “**Debt Assignment**”).

Further details of the Debt Assignment are set out in the Company’s announcement dated 3 January 2019. The Debt Assignment is only pursuable subject to the fulfilment of certain conditions including the approval from the Stock Exchange and the approval of shareholders of the Company at a special general meeting (“**SGM**”). According to the Debt Assignment, the Assigned Debt is interest-bearing at 5% p.a. and the Debt Assignee shall repay the Assigned Debt within 1 year from the date of the Debt Assignment together with accrued interest. A conversion right is also granted to the GRG Huscoke which can partially or fully convert the Assigned Debt to not more than 12% of the enlarged registered capital of the Debt Assignee by subscription of new registered capital or transfer of existing registered capital held by Xiaoyi ILNG within 1 year from the date of the Debt Assignment. The Assigned Debt is secured by 12% registered capital of the Debt Assignee held by Xiaoyi ILNG and the personal guarantee from Mr. Wen Kezhong* 溫克忠先生.

On 16 September 2020, the GRG Huscoke entered into a termination agreement with Jinyan Electricity, Energy Technology, Xiaoyi ILNG and Mr. Wen Kezhong, pursuant to which the parties agreed to terminate the Debt Assignment agreement dated 31 December 2018 with immediate effect.

On 16 September 2020, the Company entered into a M&A Framework Agreement with the GRG Huscoke and Energy Technology, pursuant to which the Company may through direct investment and/or establishment of a merger and acquisition fund to acquire and subscribe for more than 50% of the enlarged equity share capital of the Energy Technology.

12. RESTRICTED BANK DEPOSITS AND CASH AND BANK BALANCES

	2020 <i>HK\$'000</i> (Unaudited)	2019 <i>HK\$'000</i> (Audited)
Restricted bank deposits	–	5,038
Cash and bank balances	21,119	20,839

At 31 December 2020, the Group had no restricted bank deposits.

At 31 December 2019, the Group's bank balances of RMB4,504,000 (equivalent to HK\$5,038,000) have been frozen according to the civil ruling issued by a court in the PRC in relation to dispute in respect of purchases agreements between a subsidiary of the Group and its supplier. The restricted bank balances were denominated in RMB.

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short term time deposits are made for varying periods of between one day and three months depending on the immediate cash requirements of the Group, and earn interest at the respective short term time deposit rates. The bank balances are deposited with creditworthy banks with no recent history of default.

The carrying amounts of cash and bank balances approximate their fair values.

13. TRADE PAYABLES

	2020 <i>HK\$'000</i> (Unaudited)	2019 <i>HK\$'000</i> (Audited)
Trade payables due to other parties	341,782	366,162
Trade payables due to related companies	33,332	110,496
	375,114	476,658

An ageing analysis of the trade payables as at the end of the reporting periods, based on the invoice date, is as follows:

	2020 <i>HK\$'000</i> (Unaudited)	2019 <i>HK\$'000</i> (Audited)
Within 3 months	102,018	266,073
3 to 4 months	4,384	18,440
Over 4 months	268,712	192,145
	375,114	476,658

The trade payables are non-interest-bearing and are normally settled on 120-day terms (2019: 120-day). The carrying amounts of trade payables approximate their fair values.

14. OTHER PAYABLES, ACCRUALS AND DEPOSITS RECEIVED AND DEFERRED INCOME

	2020 <i>HK\$'000</i> (Unaudited)	2019 <i>HK\$'000</i> (Audited)
Other payables and accrued charges	508,320	422,073
Contract liabilities (<i>Note a</i>)	169,335	313,239
Deferred income (<i>Note b</i>)	5,344	5,034
	<u>682,999</u>	<u>740,346</u>
Less: Current portion	(677,655)	(735,312)
Non-current portion	<u>5,344</u>	<u>5,034</u>

The carrying amounts of the other payables and accrued charges approximate their fair values.

Note:

- (a) *The movements (excluding those arising from increases and decreases both occurred within the same year) of contract liabilities from contracts with customers within HKFRS 15 during the year are as follows:*

	2020 <i>HK\$'000</i> (Unaudited)	2019 <i>HK\$'000</i> (Audited)
At 1 January	313,239	214,700
Recognised as revenue	(424,546)	(188,452)
Receipt of advances	269,548	288,948
Exchange realignment	11,094	(1,957)
At 31 December	<u>169,335</u>	<u>313,239</u>

As at 31 December 2020 and 2019, none of the contract liabilities that are expected to be settled after more than 12 months.

- (b) *Deferred income represented government grant to subsidiaries in the PRC with attaching conditions to be complied with, in respect of the construction of atmospheric monitoring system, which will be recognised as other income when all the required conditions are complied with.*

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

In the second half of 2020, the overall economy of the PRC recovered from the COVID-19 pandemic, and the growth GDP returned to positive throughout the whole year and the gross industrial product increased as a quarterly basis. Driven by demand from property, infrastructure and manufacturing industries, the steel industry remained buoyant while demand for coke rose. The coke price rose and remained high, of which favorable to the profitability of the coke industry.

Meanwhile, based on the Country's "13th Five-year Plan", the Shanxi provincial government actively enforced "three-year action plan aims for blue skies". In November 2020, the Shanxi provincial government proposed to completely shut-down coking furnaces with a coking chamber height of 4.3 meters and below, and intensified supervision and inspection tasks to reduce production capacity.

As such, GRG Huscoke (Shanxi) LTD ("**GRG Huscoke**"), a sino-foreign joint venture which is 90% owned by the Company through a wholly-owned subsidiary, received a formal notification from the government authority of Xiaoyi City on 9 December 2020, that its two 4.3-metre Coking Furnaces must be shut down (the "**Shut-down Measures**"). One of the furnaces, accounting for half of the production capacity of GRG Huscoke, was shut down according to plan on 28 December 2020. As GRG Huscoke is also responsible for supplying electricity and heating to certain regions of Xiaoyi City, and the municipal government has not yet completed the laying works of substitute natural gas pipeline, as such, GRG Huscoke has not yet received any further notice and there are still one furnace in operation with the shut down schedule not yet finalized as at the date of this announcement.

Notwithstanding this significant change in government policy, due to the improvement in the operating environment of the coke industry in the second half of the year, the Group recorded an increase in operating profit for the year. However, due to the Shut-down Measures, the Group had to carry out financial treatment and had incurred asset impairment losses, which then turned the Group from a profit-making position to a loss for the whole year.

FINANCIAL REVIEW

Total revenue of the Group for the year was approximately HK\$1,176,982,000 (2019: \$1,605,356,000). The gross profit for this year amounted to approximately HK\$126,890,000 (2019: HK\$175,857,000), and the Group recorded a gross profit margin of approximately 10.8% for the year as compared to approximately 11.0% in 2019.

Loss after tax for the year was approximately HK\$371,017,000 (2019 profit: HK\$14,703,000), and loss attributable to owners of the Company amounted to approximately HK\$336,572,000 (2019 profit: HK\$9,761,000).

Basic losses per share for the year was approximately 12.94 Hong Kong cents, as compared to the basic earnings per share of approximately 0.35 Hong Kong cents in 2019.

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 generated as byproducts produced during the 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 of coke production (the “**Coke Production Segment**”).

Coke Trading Segment

The Group’s revenue from the Coke Trading Segment for the year amounted to approximately HK\$39,442,000, as compared to that of approximately HK\$2,540,000 in the corresponding period last year, the increase was mainly attributable to the increase in trading volume of the Group. The Group segment results of coke trading for the year was approximately HK\$3,781,000, as compared to no segment results in the corresponding period last year.

Coal-related Ancillary Segment

The Group’s external revenue from the Coal-related Ancillary Segment for the year amounted to approximately HK\$65,599,000, as compared to that of approximately HK\$168,505,000 in the corresponding period last year. The decrease in revenue was mainly due to the temporary suspension of coal-washing business in Year 2020. The Group’s Coal-related Ancillary Segment for the year had segment loss of approximately HK\$89,818,000, as compared to the segment profit of approximately \$861,000 in the corresponding period last year. The segment loss was mainly due to the impairment loss on property, plant and equipment and was also negatively affected by the decrease in revenue as mentioned above.

Coke Production Segment

The Group’s revenue from the coke production for the year amounted to approximately HK\$1,071,941,000, as compared to that of approximately HK\$1,434,311,000 in the corresponding period last year, the decrease was mainly attributable to the decrease in sales volume of coke. The Group’s segment loss for the year from the coke production was approximately HK\$247,170,000, as compared to the segment profit of approximately HK\$97,849,000 in the corresponding period last year. The segment loss was due to the impairment loss on property, plant and equipment and was also negatively affected by the decrease in revenue of this segment.

Selling and Distribution Costs

The Group's selling and distribution costs amounted to approximately HK\$10,953,000, as compared to that of approximately HK\$123,024,000 in the corresponding period last year. The marketing environment has changed due to the increase in coke prices, and the sales end of coke has gained more bargaining power. As a result, the mode of coke transportation is affected, and the cost of coke transportation is transferred to customers.

Administrative Expenses

The Group's administrative expenses for the year amounted to approximately HK\$86,071,000, as compared to that of corresponding period last year of approximately HK\$88,018,000.

Finance Costs

The Group's finance costs for the year amounted to approximately HK\$20,684,000, as compared to that of corresponding period last year of approximately HK\$11,409,000. The increase was mainly due to the new borrowings drawn in July 2019.

Loss/profit Before Tax

The Group's loss before tax for the year amounted to approximately HK\$356,985,000, as compared to the profit before tax of approximately HK\$26,250,000 last year. The difference was mainly due to the impairment loss on property, plant and equipment.

Loss/profit for the Year

The Group's loss for the year was approximately HK\$371,017,000, as compared to the profit of approximately HK\$14,703,000 last year. Excluding the effect of the impairment loss on property, plant and equipment, the Group recorded a profit for the year of HK\$114,296,000, as compared to the profit of approximately HK\$14,703,000 last year. The increase was mainly due to the change of mode of transportation and the shift of transportation costs to most of the customers.

CHARGES OVER ASSETS

The Group had no pledged assets (including charges over deposits) during the year (2019: Nil).

MATERIAL INVESTMENT, ACQUISITION AND DISPOSAL

As disclosed by the Company in the announcements dated 12 September 2019 and 20 November 2019, the Bloom Wealth Investment Limited, a wholly owned subsidiary of the Company and Shanxi Baimaoyuan Trading Co., Ltd.* entered into a shareholder agreement for the establishment of Rich Hydrogen Energy. Relevant matters were approved by the Shareholders of the Company at the special general meeting held on 11 February 2020.

On 16 September 2020, the Company entered into a M&A Framework Agreement with the GRG Huscoke and Energy Technology, pursuant to which the Company may through direct investment and/or establishment of a merger and acquisition fund to acquire and subscribe for more than 50% of the enlarged equity share capital of the Energy Technology. As of the date of this announcement, no formal agreement has been entered into and transaction contemplated under the M&A Framework Agreement has not yet agreed upon. Apart from this, the Group had no material investment, acquisition and disposal as at 31 December 2020.

CAPITAL STRUCTURE AND CAPITAL MANAGEMENT

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximize the shareholders' value.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the risk characteristics of underlying assets. To maintain the most optimum capital structure, the Group may adjust dividend policy, capital distribution to shareholders or issuance of new shares. No changes were made in the objectives, policies or procedures for capital management during the year ended 31 December 2020.

The Group's principal financial instruments comprise of other borrowings. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various other financial assets and liabilities such as trade receivables, prepayment, deposits and other receivables, amounts due from non-controlling shareholder, cash and bank balances, trade payables, and other payables and accruals, which arise directly from its operations.

The main risks arising from the Group's financial instruments are foreign currency risk, credit risk and liquidity risk. The Board reviews and agrees upon the various policies for managing these risks.

The Group regularly adopts gearing ratios as a tool of monitoring capital structure. The gearing ratio as of 31 December 2020 was 84.3% (31 December 2019: 71.1%).

As of 31 December 2020, the equity attributable to owners of the Company amounted to HK\$222,288,000 (31 December 2019: HK\$541,520,000).

The net assets per share as at 31 December 2020 was HK\$0.09 (31 December 2019: HK\$0.214).

LIQUIDITY AND FINANCIAL RESOURCES

Net current assets and current ratio were approximately HK\$365,055,000 (31 December 2019: HK\$235,750,000) and 1.34 (31 December 2019: 1.19) respectively as at 31 December 2020.

As at 31 December 2020, the Group's cash and bank balances amounted to approximately HK\$21,119,000 (31 December 2019: HK\$20,839,000), other borrowings were approximately HK\$200,000,000 (31 December 2019: HK\$218,188,000) and there were no convertible bonds (31 December 2019: HK\$Nil).

As of 31 December 2020 and 2019, the Group had no bills payable.

OPERATING LEASE AND CAPITAL COMMITMENTS

As at 31 December 2020, according to the disclosure requirements under Hong Kong Accounting Standards, the Group had no operating lease commitments (2019: Nil).

OUTLOOK

Looking ahead to 2021, as the PRC further implements the “new infrastructure” policy, domestic industrial production will continue to boom, which will help support coke demand. However, the Country promotes environmental policy targets of “Carbon Neutrality” and “Carbon Peaking”, as the reduction of coke production is still an emphasis of national policies, It is expected that the country will continue to carry out the lag capacity reduction tasks remained in each province. As it takes time for new large-scale advance production capacity to be put into operation in the provinces, it is expected that the supply and demand gap cannot be filled in the short term, and the overall supply of coke still can not meet the demand. As a result, it is expected that coke prices will remain high, and the increase in coke price will offset the impact of production capacity reduction of GRG Huscoke in the short term.

Facing the strict policy environment in the PRC, GRG Huscoke's 4.3-meter Coking Furnace has been listed in the shut-down list of the government authority, and the schedule of shut-down of the remaining production capacity has not been confirmed. The Group and GRG Huscoke have formulated development plans and various control measures to reduce the impact of the Shut-down Measures on the Group, including (i) plan to build an advanced and specified coking furnace to restart its coke production business; (ii) to expedite and merger and acquisition plan with Shanxi Jinyan Energy Technology Company Limited (“**Energy Technology**”); and (iii) to expedite the construction of the project of utilization of coke oven gas (the “**Rich Hydrogen Project**”). Construction plan of coking furnace will be the focus of our development plan. The Group expects that, during the period from the complete shutdown of the furnaces of GRG Huscoke to the implementation of the development projects, the Group's coke production business and coal-related ancillary business may be temporarily halted, the specific impact on the Group will depend on the actual implementation of the Shut-down procedures and the development plans.

According to the Ministry of Industry and Information Technology of the PRC, the height of top-loading coking furnace must be more than 6.0 metres. The Group planned to construct a new coking furnace, of which can meet the national industry standards and environmental protection standards and has advanced technology. It is expected that after the completion of new coking furnace, the Group's coke production scale can be restored to continue the Group's production business. The Group will publish announcement to disclose the above-mentioned project of new coking furnace in timely manner in accordance with the Listing Rules.

Meanwhile, the Group will continue to expedite its investment and acquisition plan for the 5-million-ton coke production project with Energy Technology. The Group is currently making preparatory work for the merger and acquisition and upon completion, the Company will negotiate with Energy Technology on the details of the merger and acquisition proposal. The proposed investment may through directly and/or the establishment of a merger and acquisition funds, the progress of which will be disclosed by the Company in accordance with the Listing Rules.

In addition, the reform of the energy structure advocated by the State in the 14th Five-Year Plan and the "coal-to-gas" policy since 2017 have led to a continuous increase in the basic demand for natural gas in the PRC. The Group has established Shanxi Golden Rock Rich Hydrogen Energy Co., Ltd. (山西金岩富氢能源有限公司) to undertake the Rich Hydrogen Project which is planned to first commence production of liquefied natural gas production equipment. After being put into production, it will become a major source of income for the Group.

EMPLOYEES AND REMUNERATION

As at 31 December 2020, the Group had approximately 540 employees (31 December 2019: approximately 530 employees). Less than 20 employees were stationed in Hong Kong and the rest, including senior management and workers, were in Mainland China. For the year ended 31 December 2020, the Group's staff costs amounted to approximately HK\$64,152,000.

Employees are remunerated according to the nature of the job and market trends, performance evaluation mechanism, annual increment and year-end performance bonus measures to reward and motivate individual performance. As at the date of this report, the Group has no share options outstanding under the share option scheme.

SHARE CONSOLIDATION AND CHANGE IN BOARD LOT SIZE

On 8 October 2020, the Company announced its proposal to (i) implement the share consolidation on the basis that every ten (10) issued and unissued ordinary shares (the "**Existing Shares**") of par value of HK\$0.01 each in the share capital of the Company be consolidated into one (1) consolidated share (the "**Consolidated Shares**") of par value of HK\$0.10 each (the "**Share Consolidation**") conditional upon, among other things, the approval by the shareholders of the Company at the SGM of the Company and (ii) change the board lot size for trading on the Stock Exchange from 10,000 Existing Shares to 5,000 Consolidated Shares conditional upon the Share Consolidation becoming effective.

With the approval by the Shareholders at the SGM of the Company held on 19 November 2020, the Share Consolidation became effective on 23 November 2020.

For further details relating to the Share Consolidation and change in board lot size, please refer to the circular of the Company dated 30 October 2020 and the announcements of the Company dated 8 October 2020, 30 October 2020 and 19 November 2020.

As at 31 December 2020, the total number of shares of the Company in issue was 287,071,349.

CODE ON CORPORATE GOVERNANCE PRACTICES

Save and except as disclosed below, the Company has complied with the Code on Corporate Governance Practices (the “**CG Code**”) as set out in Appendix 14 of the Listing Rules throughout the financial year ended 31 December 2020.

Code Provision A.2.1

Code provision A.2.1 of CG Code stipulates that the roles of chairman and chief executive should be separate and should not be performed by the same individual. Mr. Zhao Xu Guang is the Chairman of the Board and also serves as Chief Executive Officer. The deviation is noted by the Board and the Directors consider the dual role is essential as Mr. Zhao provides the Company with strong and consistent leadership and facilitates the implementation and execution of the business strategies while the Group re-build and develop its business with his leadership in Board, and thus achieves the Company’s objectives efficiently and effectively in response to the changing environment. The Board shall nevertheless review the structure from time to time in light of prevailing circumstances.

Code Provision D.1.4

Code provision D.1.4 of the CG Code requires that the Company should have formal letters of appointment for directors setting out the key terms and conditions of their appointment. The Company did not have formal letters of appointment for most of the Directors. However, the Directors shall be subject to retirement by rotation in accordance with the Bye-Laws. Besides, the Directors are required to comply with the requirements under statute and common law, the Listing Rules, legal and other regulatory requirements and the Company’s business and governance policies.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix 10 of the Listing Rules as its own code of conduct regarding securities transaction by the Directors of the Company (the “**Model Code**”).

Having made specific enquiry of the Directors of the Company, all Directors of the Company confirmed that they had complied with the required standard as set out in the Model Code during the year ended 31 December 2020.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

For the year ended 31 December 2020, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the listed securities of the Company.

EVENTS AFTER REPORTING PERIOD

GRG Huscoke's 4.3-meter Coking Furnace

As disclosed by the Company in the announcements dated 16 November 2020, 9 December 2020 and 28 December 2020 in relation to the government policy to shut-down all furnaces with coking chambers that have heights of less than 4.3 metres inside the Xiaoyi City, Shanxi Province. On 28 December 2020, the Board was informed by GRG Huscoke that 50% of the production capacity of GRG Huscoke's 4.3-meter Coking Furnace can continue to produce enough coking furnace coal gas in order to undertake to supply electricity and heating to certain regions of Xiaoyi City, until the completion of the laying and installation of the gas pipe network in Xiaoyi City.

As at the date of this announcement, 50% of the production capacity of GRG Huscoke is still in operation. GRG Huscoke is still responsible for supplying part of electricity and heat to Xiaoyi City.

Litigation relating EDB Holdings Limited

As disclosed by the Company in the announcement dated 6 September 2019, 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.

As disclosed by the Company in the announcement dated 28 January 2021, 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.

REVIEW OF UNAUDITED CONSOLIDATED ANNUAL RESULTS

The auditing process for the annual financial statements for the year ended 31 December 2020 has not been completed due to the auditor of the Company (the “**Auditor**”) needing more time to assess the matter on the going concern of the Company. The unaudited annual results contained herein have not been agreed with the Auditor as required under Rule 13.49(1) and 13.49(2) of the Listing Rules. A further announcement relating to the annual results as agreed with the Auditor and the material differences (if any) as compared with the unaudited annual results contained herein will be made when the auditing process has been completed.

The Company expects that the publication of the 2020 audited annual results that have been agreed with the Auditor will be postponed to 30 April 2021.

The unaudited annual results of the Group for the year ended 31 December 2020 have been reviewed by the audit committee (“**Audit Committee**”) of the Company. The Audit Committee comprises three independent non-executive Directors, namely, Mr. To Wing Tim, Paddy who also acts as Chairman of the Committee, Mr. Lam Hoy Lee, Laurie and Dr. Wang Wei Hsin, and one non-executive Director, namely, Mr. Huang Man Yem.

PUBLICATION OF UNAUDITED ANNUAL RESULTS ANNOUNCEMENT AND 2020 ANNUAL REPORT ON THE WEBSITES OF THE STOCK EXCHANGE AND THE COMPANY, AND THE ANNUAL GENERAL MEETING

This unaudited annual results announcement is published on the HKExnews website of the Stock Exchange (<http://www.hkexnews.hk>) and the website of the Company (<http://www.huscoke.com>).

Following the completion of the auditing process, the Company will issue further announcement(s) in relation to (i) the audited consolidated annual results for the year ended 31 December 2020 and the material differences (if any) as compared with the unaudited consolidated annual results contained herein; (ii) the proposed final dividend of the Company for the year ended 31 December 2020 (if any); (iii) the proposed date on which the forthcoming annual general meeting of the shareholders of the Company will be held; and (iv) details of closure of register of members regarding the annual general meeting.

The annual report for the financial year 2020 will be made available on the websites of the Stock Exchange and the Company, and will be dispatched to the Shareholders together with selected printed copies as corporate communication in due course.

For environmental and cost reasons, Shareholders are encouraged to elect to receive Shareholders documents electronically. You may at any time send written notice to the Hong Kong branch share registrar of the Company, Tricor Secretaries Limited, Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong specifying your name, address and request to change your choice of language or means of receipt of all Shareholders documents from now on.

APPRECIATION

On behalf of the Board, I would like to express my sincere appreciation to the shareholders of the Company for their continued support and sincerely thank the Directors and staffs for their dedication and diligence. I also wish to take this opportunity to express my gratitude to the Group's business partners, customers, suppliers and bankers for their ongoing support.

CONTINUED SUSPENSION OF TRADING

At the request of the Company, trading in the shares of the Company on the Stock Exchange has been suspended from 9:00 a.m. on 29 March 2021, and will remain suspended until further notice.

Shareholders and potential investors of the Company should exercise caution when dealing in the securities of the Company.

By Order of the Board
Huscoke Holdings Limited
Zhao Xu Guang
Chairman and Chief Executive Officer

Hong Kong, 31 March 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.

* *For identification purpose only*