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HUSCOKE HOLDINGS LIMITED

和嘉控股有限公司

(Incorporated in Bermuda with limited liability)

(Stock code: 704)

QUARTERLY UPDATE ANNOUNCEMENT

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).

References are made to the announcements of the Company dated 28 December 2020, 25 March 2021, 29 March 2021, 31 March 2021, 15 April 2021, 22 April 2021, 26 April 2021, 10 May 2021, 3 June 2021 and 7 June 2021 in relation to, among other things, (i) the delay in publication of audited annual results announcement for the year ended 31 December 2020, (ii) the suspension of trading, (iii) the inside information, (iv) entering into cooperation agreement, (v) the Possible Loan, (vi) the Resumption Guidance, (vii) the investigation on GRG Huscoke, and (viii) the engagement of independent investigative accountant (the “**Announcements**”). Unless otherwise defined, capitalised terms used in this announcement shall have the same meanings as defined in the Announcements.

BUSINESS UPDATE

The Group is principally engaged in coke trading business, coal-related ancillary business and coke production business. As disclosed in the Announcements, 50% of the production capacity of GRG Huscoke’s 4.3-meter Coking Furnace will gradually carry out the Shut-down work under the premise of ensuring safety and environmental protection. On 24 June 2021, the Board was informed by GRG Huscoke that since the laying and installation of the gas pipe network in Xiaoyi City (the “**Installation**”) has not yet completed, 50% of the production capacity of GRG Huscoke could still continue operation so as to undertake the centralised heating supply to certain regions of Xiaoyi City until government’s further notice. GRG Huscoke will maintain close contact with the municipal department and update the Company in due course.

As disclosed in the announcement of the Company dated 22 April 2021, GRG Huscoke entered into a Cooperation Agreement with Energy Technology and Jinyan Electricity, pursuant to which GRG Huscoke entrusts Energy Technology for the construction of a New Coking Furnace which has a height of 7.1 meters with annual production capacity of at least 600,000 tons of coke. The Company is finalising the information contained in the Circular and will dispatch to the Shareholders as soon as practicable.

UPDATE ON PROGRESS OF RESUMPTION

As disclosed in the announcement of the Company dated 10 May 2021, the Stock Exchange has set out the Resumption Guidance for the Company. Pursuant to Rule 13.24A of the Listing Rules, the Board wishes to update the Shareholders and potential investors of the Company on the progress of the Company's fulfillment of the Resumption Guidance as at the date of this announcement as follows:

(i) conduct an appropriate investigation into the Possible Loan — On 2 June 2021, the Board has resolved to establish an independent investigation committee, comprising all independent non-executive directors, to investigate the matters relating to the Loans and contingent liabilities. On 7 June 2021, RSM Corporate Advisory (Hong Kong) Limited (羅申美企業顧問有限公司) has been engaged as the independent investigative accountant to conduct an independent investigative accounting review of the matters in relation to the Loans and the contingent liabilities. The Company will make further announcement(s) to update the Shareholders and potential investors of the Company with respect to any material developments and results of the said review as and when appropriate.

(ii) publish all outstanding financial results — As disclosed in the announcement of the Company dated 26 April 2021, the publication of the 2020 Audited Annual Results will be delayed until information gathering relating to the Loans and contingent liabilities has been completed and the financial impact (if any) to GRG Huscoke and the Group as a whole have been determined. The Company will announce the expected publication date of the 2020 Audited Annual Results as and when appropriate.

(iii) inform the market of all material information — The Board will continue to keep the market informed of the progress of the independent investigative accounting review of the matters in relation to the Loans and the contingent liabilities as well as the publication of the 2020 Audited Annual Results as and when appropriate.

The Company will continue to update the Shareholders and potential investors of the Company on, among others things, the progress of the Company's fulfillment of the Resumption Guidance as and when appropriate.

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.

The Board will continue to assess and monitor the impact of the suspension of trading on the operation and financial performance of the Group. The Company will take appropriate measures as necessary and make further announcements as and when appropriate.

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
Husoke Holdings Limited
Au Wing Sze
Company Secretary

Hong Kong, 28 June 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.