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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

UPDATE ON THE PRELIMINARY FINDINGS OF THE INDEPENDENT INVESTIGATION COMMITTEE

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 26 April 2021, 10 May 2021, 3 June 2021 and 7 June 2021 in relation to, among other things, the Possible Loan, the Resumption Guidance, the investigation on GRG Huscoke and the formation of an independent investigation committee (the “**Announcements**”). Unless otherwise defined, capitalised terms used in this announcement shall have the same meanings as defined in the Announcements.

UPDATE ON THE INVESTIGATION ON GRG HUSCOKE

The purpose of this announcement is to provide an update on the investigation and a summary of the preliminary findings of the investigation on GRG Huscoke.

RSM Corporate Advisory (Hong Kong) Limited (“**RSM**”) reported to the Board that, during its independent investigative accounting review, in addition to the Loans and contingent liabilities disclosed in the Announcements, GRG Huscoke had taken out certain loan transactions from the Industrial and Commercial Bank of China Limited Xiaoyi Branch between 2012 and 2014; however, these loans were not recorded in the accounts of GRG Huscoke. Such loan transactions were shown in the report of the credit reference center of the People’s Bank of China (the “**Credit Reference Center Report**”) as fully settled with details as follows:

<u>Borrowing Date</u>	<u>Borrowing Amount (RMB)</u>	<u>Settlement Date</u>
10 July 2012	170,000,000	11 December 2012
28 August 2012	100,000,000	28 January 2013
17 December 2012	170,000,000	29 May 2013
1 February 2013	160,000,000	19 July 2013
4 July 2013	170,000,000	20 December 2013
26 August 2013	158,000,000	18 February 2014
26 December 2013	170,000,000	20 June 2014
10 April 2014	158,000,000	26 September 2014

In addition, RSM also discovered that GRG Huscoke may have issued certain bank acceptance bills as well as discounted certain bank acceptance bills during 2017 to 2019 which may not been recorded in the accounts of GRG Huscoke. These transactions are shown as settled in the Credit Reference Center Report, while the details of the unrecorded transactions such as number of the transactions as well as the respective principal and related interest are subject to further confirmation. Further announcement(s) will be made by the Company in due course after the findings are confirmed.

The independent investigation committee held weekly meeting with RSM to discuss the preliminary findings and progress of the investigative accounting review and has so far held a meeting to report to the Board the status of the said review. All the members of the Board confirmed that they were not aware of the above-mentioned loans and acceptance bill.

ENGAGEMENT OF INDEPENDENT LEGAL ADVISER

The Company wishes to update its shareholders and potential investors that Da Tong Law Office of Guang Dong has been engaged as the independent legal adviser to provide legal advice in the PRC for the Independent Investigation Committee.

The Company will make further announcement(s) with respect to any material developments and results in the process of the investigation from the independent investigation committee, RSM and the independent legal adviser 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.

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, 26 July 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.