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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, 7 June 2021, 28 June 2021, 26 July 2021 and 19 August 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, (viii) the engagement of independent investigative accountant, (ix) the quarterly update, (x) the update on preliminary findings of the independent investigation committee, and (xi) the delay in publication of interim results and despatch of interim report for the six months ended 30 June 2021 (the “**Announcement(s)**”). 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 remains viable 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 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 to be contained in the Circular and will despatch the Circular to the Shareholders as soon as practicable.

UPDATE ON PROGRESS OF RESUMPTION

As disclosed in the Announcement 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 of the Company and potential investors 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 — As disclosed in the Announcement dated 26 July 2021, RSM reported to the Board that, during the review of the Credit Reference Center Report, RSM noticed certain settled bank credit records, of which including certain loan transactions GRG Huscoke took out from the Industrial and Commercial Bank of China Limited Xiaoyi Branch between 2012 and 2014, and certain issued bank acceptance bills as well as discounted certain bank acceptance bills of GRG Huscoke between 2017 and 2019. These loan transactions and bank acceptance bills are shown as settled in the Credit Reference Center Report, but have not been recorded in the accounts of GRG Huscoke. The details of the unrecorded transactions are subject to further confirmation. Further announcement(s) will be made by the Company in due course and in accordance with the Listing Rules after the findings are confirmed.

(ii) publish all outstanding financial results — As disclosed in the Announcement dated 19 August 2021, given that (i) the independent investigation on GRG Huscoke is still on-going; and (ii) the audit of 2020 Audited Annual Results has not been completed and thus there will be a delay in the publication of the 2021 Interim Results. The Company will announce (i) the date of publication of the 2020 Audited Annual Results and the 2021 Interim Results; and (ii) the date of despatch of the 2020 Annual Report and the 2021 Interim Report as and when appropriate and in accordance with the Listing Rules.

(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 and the 2021 Interim Results as and when appropriate and in accordance with the Listing Rules.

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

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 and in accordance with the Listing Rules.

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 September 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.