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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, 19 August 2021, 28 September 2021, 15 October 2021, 21 October 2021 and 28 October 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 and its supplemental announcement, (x) the update on preliminary findings of the independent investigation committee, (xi) the delay in publication of interim results and despatch of interim report for the six months ended 30 June 2021, and (xii) the Litigation of GRG Huscoke (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 was informed by GRG Huscoke on 23 December 2021, that half of the production capacity of coking furnace of GRG Huscoke has been shut-down in December 2020, and the remaining half of the production capacity of coking furnace has been shut-down on 21 October 2021, being that GRG Huscoke still maintained coke production business between January and October 2021. The government of Shanxi Province implemented the policy of “ensure the safe supply of coal” in this winter. The coal used in the thermal source plant of GRG Huscoke was purchased by the heat supply company, and the operation mode of the thermal source plant changed from the self-purchasing and

production operation originally to the current mode of processing of imported materials. Therefore, the Shut-down of the coke production business shall not affect the normal operation of the power plant and the thermal source plant, and the heating supply business of the thermal power plant in the winter is continued. The Company will keep assessing and monitoring the impact after the Shut-down and has been devising viable development strategies to mitigate the relevant impact, and the Company will further disclose and provide further updates on relevant measure and business development strategies to the shareholders of the Company and the market as and when appropriate and in accordance with the Listing Rules.

## **UPDATE ON FULFILLING THE RESUMPTION GUIDANCE AND EXPECTED TIMELINE**

### **Resumption Guidance**

### **Expected Timeline**

- (i) conduct an appropriate investigation into the Possible Loan

The Independent Investigation Committee has engaged RSM Corporate Advisory (Hong Kong) Limited (“**RSM**”) to conduct the independent investigative accounting review on the Possible Loan, the Loans and contingent liabilities, and the independent PRC legal adviser, being Da Tong Law Office of Guang Dong (“**Da Tong**”) to provide its legal opinion pursuant to the laws of PRC on the Possible Loan and contingent liabilities, respectively. Since RSM requested a substantial increase in its professional fees, as at the date of this announcement, the Independent Investigation Committee is negotiating with RSM regarding this matter, while RSM has not yet submitted the investigation report to the Independent Investigation Committee. Meanwhile, Da Tong conducted the independent investigation on the Possible Loan, the Loans and contingent liabilities, as for the basis of providing PRC legal opinion (the “**Investigation**”). Da Tong has submitted the investigation findings and PRC legal opinion to the Independent Investigation Committee, and the Independent Investigation Committee has adopted relevant investigation findings and PRC legal opinion and presented to the Board. Da Tong is processing the final check to the Investigation as requested by the Board. The Board will continue to make disclosure in a timely manner to the Shareholders of the Company and potential investors.

- (ii) publish all outstanding financial results

As at the date of this announcement, the independent investigation of the Possible Loan is still ongoing, and therefore the publications of the 2020 Audited Annual Results, 2020 Annual Report, unaudited 2021 Interim Results and 2021 Interim Report are still pending. Accordingly, the expected publication timeframe of the above results is subject to the completion date of the independent investigation of the Possible Loan.

(iii) demonstrate the Company's compliance with Rule 13.24

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 preparing and finalising the information to be contained in the circular and will despatch the circular to the Shareholders as soon as practicable.

(iv) inform the market of all material information for the Company's shareholders and investors to appraise the Company's position

Since the suspension of trading in its shares, the Company has been keeping its Shareholders and potential investors informed of all material information to appraise the Company's position by way of publication of announcements on the website of the Stock Exchange in accordance with the Listing Rules. The Company will continue to keep its Shareholders and potential investors abreast of the material developments by making further announcement(s) 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  
**Huscoke Holdings Limited**  
**Au Wing Sze**  
*Company Secretary*

Hong Kong, 28 December 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.*