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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

AND

DELAY IN PUBLICATION OF ANNUAL RESULTS AND DESPATCH OF ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

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, 28 October 2021, 28 December 2021, 4 January 2022, 18 January 2022, 8 February 2022, 17 February 2022 and 10 March 2022, in relation to, inter alia, (i) the suspension of trading of the Shares; (ii) the quarterly update announcements; (iii) the delay in publication of audited annual results announcement and despatch of annual report for the year ended 31 December 2020 and the delay in publication of interim results and despatch of interim report for the six months ended 30 June 2021; (iv) the investigation on GRG Huscoke and the Possible Loan; (v) the update on findings of the Independent Investigation Committee in relation to the Incident; (vi) the engagement of an independent internal control adviser; and (vii) the Resumption Guidance (collectively, the “**Announcements**”). Unless otherwise defined, capitalised terms used in this announcement shall have the same meanings as defined in the Announcements.

BUSINESS UPDATE

As disclosed in the Announcements, the Group was informed by GRG Huscoke, the production capacity of coking furnace of GRG Huscoke has been shut-down due to the implementation of environmental protection policies by the government of the Shanxi Province and accordingly, the Company has been assessing, monitoring the impact of the shut-down and devising viable development strategies to mitigate the relevant impact.

As set out in the Announcements, on 14 February 2022, the Company received a letter from the Stock Exchange in relation to the modification and additional of the Resumption Guidance, details of which are listed out in the next section below of this announcement. In addition, on 4 January 2022 and 10 March 2022, the Company has engaged a financial adviser and an independent internal control adviser respectively to facilitate the fulfillment of the Resumption Guidance.

The Board is pleased to announce that the Company has entered into an agreement on 15 March 2022 (the “**Agreement**”) with GRG Huscoke, Energy Technology, Jinyan Electricity and ILNG that involves, among other things, (i) the transferal of the ownership and operation rights of coking furnaces that comply with the policy requirements and standards of the country and Shanxi Province for coke production enterprises to assure the Company to maintain sufficient assets and to continue on its coke production related businesses; and (ii) other remedial measures to be taken by Jinyan Electricity and Energy Technology to compensate the financial impact of the Group that was due to the Incident.

As at the date of this announcement, the announcement in relation to the entering of the Agreement has been submitted to the Stock Exchange pursuant to the requirements of the Listing Rules and will be issued by the Company as soon as practicable. Further announcement(s) will be made by the Company to update the Shareholders and the market in relation to other updates on relevant measures and business development as and when appropriate and in accordance with the Listing Rules.

RESUMPTION GUIDANCE AND RESUMPTION UPDATE

- (i) *Conduct an appropriate investigation into the Loans (including the Possible Loan) and the Contingent Liabilities (including the Guarantees), assess the impact on the Company’s business operation and financial position, announce the findings and take appropriate remedial actions.*

Reference is made to the Company’s announcement dated 18 January 2022 in relation to the Report of the Investigation and the legal opinions submitted by Da Tong to the Independent Investigation Committee, according to which, the facts, the legal nature and the total amount involved of the Incident have been concluded. To better address and fulfill the Resumption Guidance, Da Tong is currently conducting a supplemental independent investigation into the Incident and the results of which, are expected to be available to the Independent Investigation Committee in April 2022.

As at the date of this announcement, the Independent Investigation Committee and the Company have not received the investigation report from RSM. Having considered the current results set out in the Da Tong's Report of the Investigation and Da Tong's legal opinions, the Independent Investigation Committee has considered that the facts, the legal nature and the total amount involved in the Incident were basically cleared and accordingly, the investigation report from RSM will not be required by the Independent Investigation Committee.

Further announcement(s) will be made by the Company to update the Shareholders and the market in relation to other updates on the Investigation as and when appropriate.

- (ii) *Publish all outstanding financial results required under the Listing Rules and address any audit modifications.*

As set out in the Company's announcement dated 8 February 2022, the Company has appointed Zhonghui Anda as the auditor of the Company to complete the audit work on the 2020 and 2021 annual results of the Company. Zhonghui Anda is currently performing auditing work in preparing the outstanding financial results of the Group required under the Listing Rules (i.e. the 2020 Audited Annual Results, 2020 Annual Report, unaudited 2021 Interim Results and 2021 Interim Report, the 2021 Audited Annual Results and 2021 Annual Report) which are targeted to be published on or before the end of June 2022.

- (iii) *Demonstrate the Company's compliance with Rule 13.24 of the Listing Rules.*

Pursuant to the terms and conditions under the Agreement, the Group is expected to be able to resume operating on, and generate revenue from, coke production related businesses around mid-June, and that upon completion of the transactions contemplated under the Agreement, the Group will have sufficient level of operations and assets and will be able to comply with Rule 13.24 of the Listing Rules.

As at the date of this announcement, the Company is finalizing the information to be contained in the corresponding announcement(s) and circular which will be published and despatched to the Shareholders and the market as and when appropriate.

- (iv) *Inform the market all material information for the Company's shareholders and investors to appraise the Company's position.*

The Company will continue to keep the Shareholders and potential investors of the Company informed of all material information to appraise the Company's position. Further announcement(s) will be made by the Company on any material developments of the Group as and when appropriate and in accordance with the Listing Rules.

- (v) *Conduct an independent internal control review and demonstrate that the Company has in place adequate internal controls and procedures to comply with the Listing Rules.*

As set out in the Company's announcement dated 10 March 2022, the Company has appointed Zhonghui Anda Risk Services Limited (the "**IC Adviser**") as the independent internal control adviser to the Company to conduct a comprehensive review of the internal controls and procedures of the Group (the "**IC Report**") and make recommendations of remedial measures (the "**IC Recommendations**") as and when necessary. As at the date of this announcement, the Company is working with the IC Adviser in preparing the IC Report and to disclose the results of the IC Report as soon as practicable.

- (vi) *Demonstrate that there is no reasonable regulatory concern about management integrity and/or the integrity of any persons with substantial influence over the Company's management and operations, which will pose a risk to investors and damage market confidence.*

Save for the Investigation conducted by Da Tong, the Company is also working with the IC Adviser to demonstrate that there will be no reasonable regulatory concern about management integrity and/or the integrity of any persons with substantial influence over the Company's management and operations, which will pose a risk to investors and damage market confidence.

- (vii) *Demonstrate that the Directors meet a standard of competence commensurate with their positions as directors of a listed issuer to fulfill duties of skill, care and diligence as required under Rules 3.08 and 3.09 of the Listing Rules.*

The Directors will continue to take the appropriate actions as necessary and described in this announcement as and when appropriate to demonstrate their competence commensurate as directors of a listed issuer to fulfill duties of skill, care and diligence as required under Rules 3.08 and 3.09 of the Listing Rules as well as fulfilling all the other Resumption Guidance to achieve Resumption.

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

DELAY IN PUBLICATION OF ANNUAL RESULTS AND DESPATCH OF ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

Pursuant to Rule 13.49(1) of the Listing Rules, the Company is required to publish its annual results for the financial year ended 31 December 2021 (the "**2021 Audited Annual Results**") not later than three months after the end of the financial year of the Company, i.e. on or before 31 March 2022. Under Rule 13.49(2) of the Listing Rules, the preliminary announcement in relation to the 2021 Audited Annual Results shall be based on the Group's consolidated

financial statements for the financial year ended 31 December 2021, which shall have been agreed with the auditors. The Company wishes to announce that the publication of the announcement in relation to the 2021 Audited Annual Results will be delayed as additional time is required to finalise the 2021 Audited Annual Results after the completion of supplemental investigation.

As mentioned above, Zhonghui Anda is currently performing auditing work in preparing the outstanding financial results of the Group and which are targeted to be published on or before the end of June 2022, and since the auditing process has been delayed, the Board meeting to be held on 31 March 2022 to consider and approve, among other matters, the publication of the 2021 Audited Annual Results will also be postponed.

Pursuant to Rule 13.46 of the Listing Rules, the Company is required to send to every shareholder a copy of its annual report including its annual accounts not more than four months after the end of the financial year to which such annual accounts relate, being not later than 30 April 2022 in respect of the financial year ended 31 December 2021.

In light of the aforesaid Investigation and auditing process, the Company will be unable to strictly comply with the aforesaid requirement under Rule 13.46 of the Listing Rules.

CONTINUED SUSPENSION OF TRADING

At the request of the Company, trading in the Shares 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 and potential investors of the Company are advised to exercise caution when dealing in the Shares.

By order of the Board
Husoke Holdings Limited
Au Wing Sze
Company Secretary

Hong Kong, 28 March 2022

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.