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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 AND ANNOUNCEMENT IN RELATION TO THE ESTIMATED ANNUAL RESULTS FOR 2020

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).

Reference were made to the announcements of the Company dated 16 November 2020, 9 December 2020 and 28 December 2020 (the “**Announcements**”) in relation to the shut-down of 50% of production capacity of GRG Huscoke’s 4.3-meter Coking Furnace due to the government policy (the “**Shut-down**”). Unless otherwise defined, capitalised terms used in this announcement shall have the same meanings as defined in the Announcements.

The Board would like to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that, based on a preliminary review of the unaudited consolidated management accounts of the Group for the year ended 31 December 2020 (“**FY2020**”), while it is expected that the Group will record an operational profit of approximately HK\$113 million for FY2020 due to the decrease in selling expenses through change of means of coke transportation to achieve the shift of transportation costs to most of the customers. In addition, the Group is expected to record a consolidated loss that is between approximately HK\$142 million to HK\$398 million as compared to a consolidated profit of approximately HK\$15 million for the year ended 31 December 2019.

The expected consolidated loss for FY2020 is primarily attributable to the recognition of non-cash impairment of property, plant and equipment of the assets of GRG Huscoke as a result of the reduced production capacity of GRG Huscoke’s 4.3-metre Coking Furnace (the “**Expected Impairment Loss**”) since 28 December 2020, and the amount of the Expected Impairment Loss is expected to be between approximately HK\$256 million and HK\$511 million. As at the date of this announcement, in order to safeguard the heating needs of the city, 50% of production capacity of GRG Huscoke’s 4.3-meter Coking Furnace is still operating and will be shut down at any time in response to relevant government requirements.

The Board wishes to emphasise that the provision for the Expected Impairment Loss is one-time and non-cash in nature and has no impact on the Group's cash position for FY2020.

The Company is still in the process of finalising the annual results of the Group for FY2020, the information contained in this announcement is only based on the Board's preliminary assessment of the unaudited consolidated management accounts of the Group and other information currently available to the Board, which are subject to finalisation and adjustments, if any, and have not been reviewed nor confirmed by the Company's auditors and/or the Audit Committee of the Board. The actual results of the Group for FY2020 may be different from the disclosure herein. Shareholders and potential investors are advised to read carefully the annual results announcement of the Company for FY2020.

Shareholders of the Company and potential investors should be cautious when dealing in the securities of the Company.

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

Hong Kong, 18 March 2021

As at the date of this announcement, the Board comprises Mr. Zhao Xu Guang (Chairman), 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.