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HUSCOKE HOLDINGS LIMITED

和嘉控股有限公司

(Incorporated in Bermuda with limited liability)

(Stock code: 704)

SUPPLEMENTAL ANNOUNCEMENT

INSIDE INFORMATION DELAY IN PUBLICATION OF 2023/24 ANNUAL RESULTS 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 (the “**Listing Rules**”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) 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 is made to the announcement (the “**Announcement**”) of the Company dated 25 June 2024 in relation to inside information (i) delay in publication of 2023/24 annual results announcement; (ii) publication of unaudited annual results announcement for the year ended 31 March 2024; (iii) possible delay in despatch of 2023/24 annual report; (iv) postponement of board meeting; and (v) possible suspension of trading. Unless otherwise stated, all the capitalized terms used herein shall have the same meaning as those adopted in the Announcement.

DELAY IN PUBLICATION OF THE 2023/24 ANNUAL RESULTS

The Company would like to provide additional information about the reasons for the delay in the publication of the 2023/24 Annual Results Announcement as follows.

As disclosed in the Announcement, the Auditor has not yet been completed the audit work on the annual results of the Company. Therefore, the Company is expected that there will be a delay in publication of the Annual Results Announcement.

The annual audit work has reached its final stage, while the Auditor which became auditor of the Company since 2021, recently informed the Company that it has suspended its audit work because the Company has only settled a small portion of audit fees for the years 2020, 2021, 2022/23 before resumption and the current year by the Company (the "**Audit Fees**"). The Auditor is of the view that failing to settle the outstanding Audit Fees on schedule may cause independence issue when signing off the Annual Results Announcement and 2023/24 Annual Report. Therefore, the Auditor stated that it was unable to issue Annual Results Announcement and auditor reports and has suspended its audit work.

As stated in the audited consolidated financial statements for the fifteen months ended 31 March 2023. The Auditor qualified their opinion in respect of the existence of the uncertainties to the matter of the recoverability of the trade receivables and prepayments, deposits and other receivables (the "**Line Item**"). One of the reasons was that the management did not take actions at that time, including legal proceedings to pursue recovery. The Line Item mainly represents the trade prepayments from the Company and related capital occupation fees due from Energy Technology. As of 31 March 2024, the unaudited total amount of the Line Item was approximately HK\$170 million and the Company has made a 20% loss allowance provision which makes it HK\$ 135 million as the reporting figure, accounting for approximately 12% of the net assets of the Company.

As stated in the Company's announcements dated 22 August 2023 and 12 December 2023, the Company filed a civil lawsuit regarding the Line Item and under the mediation of the Intermediate People's Court of Luliang of Shanxi Province* (山西省呂梁市中級人民法院) (the "**Luliang Intermediate People's Court**"), the Company has signed a settlement agreement with Energy Technology which has become effective after Luliang Intermediate People's Court's judicial ruling on the same day. The ruling was made that Energy Technology should refund USD10.7 million and RMB78,182,985 by repayment schedule, and capital occupation fees will be calculated on all outstanding amounts from the signing date. As stated in the Company's announcements dated 18 March 2024, Energy Technology has been actively promoting the construction of production supporting facilities and public auxiliary facilities for the Company's Coking Furnace Assets through a combination of its own operating income and multi-party financing. It has actively fulfilled part of its refund obligations, but its funds have been prioritized for the construction of production supporting facilities and public auxiliary facilities. According to the civil ruling, as of the date of this announcement, Energy Technology needs to refund the company approximately US\$1.4 million. Energy Technology has guaranteed that it will refund step by step no later than 10 July 2024. After Energy Technology makes the refund in accordance with the civil ruling, the Company will have sufficient cashflow to settle the audit fees.

Therefore, the Company has taken all legal means to recover the Line Item and requires Energy Technology to make the refund on schedule according to the civil ruling.

In summary, the Company has completed the preparation of the Group's consolidated financial statements and has provided the Auditor with all information and files required for the audit. After the Line Item has recovered on schedule and the Audit Fees are settled, the Auditor will continue to complete the audit work and re-evaluate the recoverability of the Line Item based on the actual recovery status after the court's intervention and Energy Technology's own repayment ability. The qualified opinion for the Line Item may be removed and strive to publish the 2023/24 Annual Results Announcement as soon as possible.

As of the date of this announcement, according to the communication between the Company and the Auditor, it may express audit opinions on the recoverability of the Line Item and going concern of the Company.

Save as disclosed above, there are no other audit matters that would cause delay in the publication of the 2023/24 Annual Results Announcement.

EXPECTED DATE OF PUBLICATION OF ANNUAL RESULTS ANNOUNCEMENT

The Company is in close communication with the Auditor regarding the annual audit. However, the expected date for publishing the Annual Results Announcement will need to be further discussed and determined with the Auditor and will be announced in due course.

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, 2 July 2024

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.

** In this announcement, translated English names of Chinese entities for which no official English translation exists are unofficial translations for identification purposes only, and in the event of any inconsistency between the Chinese names and their English translation, the Chinese names shall prevail.*