Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

HUSCOKE HOLDINGS LIMITED
和嘉控股有限公司
(Incorporated in Bermuda with limited liability)
(Stock code: 704)

DECISION OF THE LISTING DIVISION ON RULE 13.24 OF THE LISTING RULES

This announcement is made by Huscoke Holdings Limited (the "**Company**", together with its subsidiaries, the "**Group**") pursuant to Rule 13.09 of the Rules (the ''**Listing Rules**'') Governing the Listing of Securities, The Stock Exchange of Hong Kong Limited (the ''**Stock Exchange**'') and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

On 5 September 2025, the Company received a letter from the Stock Exchange (the ''**Letter**'') notifying the Company of its decision that the Company has failed to maintain a sufficient level of operations as required under Rule 13.24 of the Listing Rules to warrant the continued listing of its shares and that trading in the Company's shares will be suspended under Rule 6.01(3) of the Listing Rules (the ''**Decision**''). The content of the letter regarding this Decision is as follows:

I DECISION

Having considered the information available to Stock Exchange, including the submission, Stock Exchange has decided that the Company has failed to maintain a sufficient level of operations and assets of sufficient value to support its operations to warrant the continued listing of its shares under Rule 13.24, and that trading in the Company's shares should be suspended under Rule 6.01(3).

II FACTS

The Company's shares have been listed on the Main Board since 27 May 1991.

Since 2008, the Company has been principally engaged in (i) the **Coke Production Business**, (ii) washing of raw coal into refined coal for sale and for further processing, and sale of electricity and heat (**Coal-Related Ancillary Business**) and (iii) the **Coke Trading Business** in the People's Republic of China ("the **PRC"**). The Coke Production Business was the Company's core business.

Mr. Zhao Xu Guang has been the Company's controlling shareholder, executive director and chairman since 2016. He currently holds 50.57% equity interest in the Company.

The Company's financial information is summarised below:

	Financial year ended				
HK$'000	**31 Mar 2025 (FY2025)**	**31 Mar 2024 (FY2024)**	**31 Mar 2023 (FY2023)** *(note i)*	**31 Dec 2021 (FY2021)**	**31 Dec 2020 (FY2020)**
Revenue	**34,230**	**2,403**	**34,726**	**866,602**	**1,176,982**
Coke Production Business	-	-	-	785,085	1,108,340
Coal-Related Ancillary Business	-	-	34,726	81,517	65,600
Coke Trading Business	34,230	2,403	-	-	3,042
Segment profit / (loss)	**45**	**3**	**(64,141)**	**64,176**	**(283,497)**
Coke Production Business	-	-	-	62,650	(210,899)
Coal-Related Ancillary Business	-	-	(64,141)	1,526	(72,754)
Coke Trading Business	45	3	-	-	156
Impairment on plant and equipment	-	-	-	(90,738)	(447,216)
Gain on disposal of subsidiaries *(note ii)*	-	-	1,693,981	-	-
Net (loss) / profit	**(29,487)**	**(35,739)**	**1,248,861**	**(31,182)**	**(532,532)**
Total assets	**1,810,899**	**1,827,185**	**1,910,086**	**2,221,404**	**2,064,344**
Trade receivables	54	1,719	-	778,522	570,151
Prepayments, deposits and other receivables *(note iii)*	141,028	134,174	129,064	1,429,126	1,297,957
Construction in progress *(note iii)*	1,665,374	1,684,584	1,776,167	-	-
Cash and cash equivalents	1,675	2,448	601	7,903	21,119
Net current liabilities (note ii)	**(444,496)**	**(337,091)**	**(226,939)**	**(1,699,654)**	**(1,517,124)**
Net assets / (liabilities) (note ii)	**1,041,190**	**1,085,063**	**1,188,982**	**(158,092)**	**(124,901)**
Operating cash inflow / (outflow)	**751**	**4,255**	**(1,608)**	**(8,753)**	**28,734**

Notes:

(i) *In December 2022, the Company changed its financial year end date from 31 December to 31 March. As a result, FY2023 covered a period of 15 months from 1 January 2022 to 31 March 2023.*

(ii) *The gain resulted from the disposal of subsidiaries with net liabilities of HK$1,626 million. The reason for the disposal was to address the disclaimer of opinion for FY2021 and FY2020 regarding (a) multiple uncertainties on going concern; and (b) recoverability of trade and other receivables. Upon completion of the disposal in FY2023, the Company reduced its net current liabilities and changed from a net liabilities position to a net assets position.*

(iii) *The balance of prepayments, deposits and other receivables as at 31 December 2021 represented amounts due from Energy Technology. The balance was offset against the consideration for the acquisition of coking furnaces (which has been recorded as construction in progress) from Energy Technology in January 2023. The coking furnaces has not commenced production.*

Company's operation and financial performance

The Coke Production Business was the Company's core revenue contributor, accounting for over 90% of the Company's total revenue in FY2020 and FY2021.

In October 2021, the Coke Production Business was suspended. The Company's coking furnaces were shut down as they did not meet the minimum height requirement introduced by the PRC government in December 2020. In January 2023, the Company completed the acquisition of two new coke furnaces (the **Acquisition**), which complied with the relevant height requirement, from Shanxi Jinyan Energy Technology Company Limited (**Energy Technology**). However, due to further tightening of the environmental protection standards, additional auxiliary facilities are required to be constructed before commencing the coke production. As of now, the construction of auxiliary facilities has yet to be completed. The Coal-Related Ancillary Business has also been suspended since April 2023 and the Company currently has no concrete plan for the resumption of the Coal-Related Ancillary Business.

Currently, the Coking Trading Business, which commenced in FY2024, was the sole revenue contributor of the Company. It generated revenue of HK$34.2 million and record segment profit of HK$45,000 for FY2025.

As at 31 March 2025, the Company had net current liabilities of HK$444.5 million and maintained a cash balance of HK$1.7 million. The Company had outstanding debt and interest payable totalling HK$280.9 million owing to China Cinda (Hong Kong) Asset Management Company Limited (Cinda), which filed a winding-up petition against the Company (the **Petition**). A court hearing for the Petition is scheduled to be held on 24 November 2025. Although the Company announced that it has reached a preliminary consensus with Cinda on the terms of settlement, no formal agreement has been executed.

Trading suspension between 2021 and 2023

In March 2021, trading in the Company's shares was suspended pending the release of an announcement regarding a very substantial acquisition of two coking furnaces (the **Furnaces**) to be constructed by Energy Technology (i.e. the Acquisition).

Subsequently, it was identified that certain directors and management of a subsidiary of the Company (the **Subsidiary**) provided loans and guarantees to a minority shareholder of the Subsidiary without obtaining the approval of the Company's board (the **Loan Transactions**). The relevant funds were subsequently transferred to Energy Technology.

The auditor issued a disclaimer of opinion for the Company's FY2020 and FY2021 annual results as the auditor was unable to obtain sufficient audit evidence about the recoverability of receivables mainly related to the Loan Transactions.

In view of the above, Stock Exchange issued a resumption guidance for the Company to, amongst others, (i) investigate into the Loan Transactions; (ii) demonstrate its compliance with Rule 13.24, and (iii) address the disclaimer of opinion.

In September 2022, the Company submitted a resumption proposal stating, among others, that:

(i) the Company had completed an investigation into the Loan Transactions. The Company's directors were not involved in the Loan Transactions. The directors and management of the Subsidiary involved in the Loan Transactions were removed, and the Company implemented remedial actions for the internal control deficiencies identified;

(ii) Energy Technology agreed to offset the relevant receivables owed to the Company under the Loan Transactions with the consideration of the Acquisition; and

(iii) the Company would dispose of the Subsidiary and the Company's auditor confirmed that the disclaimer of opinion on recoverability of the relevant receivables would be resolved upon completion of the disposal (completed in January 2023).

In January 2023, the Company completed the Acquisition. The Company forecasted that it would generate revenue of HK$3,162.5 million and profit of HK$255 million for the year ended 31 December 2023. After considering the business plan regarding the Coke Production Business and the above forecast, it was considered that the Company had demonstrated compliance with Rule 13.24.

In April 2023, trading in the Company's shares was resumed.

Subsequent developments

Coke Production Business

In August 2023, the Company announced that the Furnaces had not commenced production. Due to the tightened environmental protection policies imposed by the PRC local government in May 2023 (i.e. one month after the resumption), it was required to construct certain auxiliary facilities before commencing the coke production. Pursuant to the Acquisition agreement, Energy Technology was responsible for constructing all necessary auxiliary facilities. However, given its own debt issues and the continued downturn in the coke industry, Energy Technology did not have sufficient fund for the construction of the necessary auxiliary facilities.

Between August 2023 and May 2025, the Company made several announcements and submissions stating that Energy Technology was in discussion with various financial institutions to secure sufficient funding to construct the necessary auxiliary facilities. However, none of these funding plans materialised. Without sufficient funding, construction of the auxiliary facilities has been repeatedly delayed (for approximately 2 years), and the coke operation continues to remain suspended.

In its FY2025 annual results, the Company disclosed that Energy Technology had signed a legally binding framework agreement with a subsidiary of a national-level financial institution (the **New Financing Agreement**). Further, the Company submitted that Energy Technology would receive the first tranche of funding of not less than RMB350 million on or before 31 July 2025 and complete construction of the auxiliary facilities by February 2026. The Company forecasted that the Coke Production Business would generate revenue of HK$289 million for the financial year ending 31 March 2026. However, Energy Technology did not receive the funding on 31 July 2025 due to issues related to verification of collateral.

Coke Trading Business

In FY2024, the Company commenced the Coke Trading Business. Pursuant to the cooperative production agreement with Energy Technology in December 2023, the Company sourced raw materials and raw coal from its suppliers and sold them to Energy Technology for processing. Upon receiving product orders from the Company, Energy Technology delivered the finished coke to the Company, which then sold the products to the Company's own customers.

This business generated revenue of HK$2.4 million and HK$34.2 million with segment profit of HK$3,000 and HK$45,000 for FY2024 and FY2025, respectively (or profit margin of approximately 0.1%).

The Company submitted that, in light of the persistent negative business sentiment in the coking industry, its management has decided to slow down the development of Coke Trading Business until market conditions recover.

III. THE COMPANY'S SUBMISSION

In view of the circumstances, Stock Exchange issued the Show Cause Letter to the Company raising Stock Exchange concerns that the Company might have failed to comply with Rule 13.24. In response to the Show Cause Letter, the Company submitted the status and plans of its business to assert its compliance with Rule 13.24 as follows.

Coke Production Business

Energy Technology did not receive any funding under the New Financing Agreement. The Company reiterated that Energy Technology's repeated failure to secure funding was due to the continued downturn in the coking industry. Nevertheless, the Company considers that it is still possible for Energy Technology to obtain funding in the future.

To resume its Coke Production Business, the Company entered into a framework agreement with Energy Technology on 28 August 2025 (the **Framework Agreement**) which contains certain arrangements (the **Arrangements**) involving: (i) the lease of a coking plant (comprising six coking furnaces) from Energy Technology for a term of 10 years; and (ii) the provision of production services by the employees of Energy Technology. Under the Arrangements, the Company will pay an annual rental fee of RMB100 million to Energy Technology with an upfront payment of RMB600 million covering the first six years. Of this amount, RMB500 million will be utilised by Energy Technology to complete the construction of the necessary auxiliary facilities for the Furnaces.

The Company's business plan will be implemented in two phases as follows:

(i) the first phase will involve Energy Technology's four furnaces that are currently in operation. Under this phase, the Company expects to generate annual revenue of approximately RMB3 billion to RMB5 billion, with an estimated annual gross profit ranging from RMB500 million to RMB1 billion;

(ii) the second phase will involve the Furnaces of the Company and another two coking furnaces of Energy Technology currently under construction. Under this phase, the Company expects to generate additional annual revenue of RMB3 billion to RMB5 billion and gross profit of RMB500 million to RMB1 billion; and

(iii) the Company will also engage Energy Technology to provide production services for coke production as it currently lacks qualified employees who meet the technical requirements and has no recruitment plan. The Company will settle the fees for the production services provided by offsetting the receivables from Energy Technology. No details regarding the amount of service fees or calculation basis were provided.

Given part of the upfront payment will be utilised for the construction of necessary auxiliary facilities for the Furnaces, and that the annual rental fee is considered reasonable in relation to the coking plant to be leased, which has a scale of RMB8 billion, the Company considers that the lease arrangement is in the interest of the Company. The Company intends to satisfy such funding requirements through debt or equity financing.

Subject to the completion of due diligence, it is expected that a formal agreement will be signed on or before 15 October 2025.

Coke Trading Business

The Company submitted that there have been signs of recovery in large-scale infrastructure projects, leading to an increase in demand for coke. As a result, the profitability of Coke Trading Business is expected to improve significantly, driven by rising coke selling prices and relatively stable raw material costs.

Gas Project

Under the Framework Agreement, the Company also planned to invest in coking furnace gas project of Energy Technology by establishing an investment fund, in which it will participate as both general partner and limited partner. The fund would invest approximately RMB1.2 billion into the Gas Project. The Gas Project will utilise coking furnace gas as a raw material to produce high-value-added chemical products, including LNG, synthetic ammonia and methanol. The Gas Project is expected to generate annual revenue of approximately RMB1.6 billion and a net profit of around RMB260 million under full operation.

IV. RELEVANT LISTING RULES

Rule 13.24

Rule 13.24 states that "[a]n issuer shall carry out, directly or indirectly, a business with a sufficient level of operations and assets of sufficient value to support its operations to warrant the continued listing of the issuer's securities".

Rule 13.24 is a qualitative test. Stock Exchange may consider an issuer to have failed to comply with the Rule where the issuer fails to satisfy the Stock Exchange that the issuer has a business which is of substance, viable and sustainable and has sufficient assets to support its operation. Stock Exchange will make an assessment based on the facts and circumstances of individual issuers. For guidance on Stock Exchange general approach to the application of Rule 13.24 and Stock Exchange assessment process, please refer to Stock Exchange Guidance Letter on Sufficiency of Operations (GL106-19).

Trading suspension and remedial period

Under Rule 6.01(3), Stock Exchange may suspend trading in, and cancel the listing of, an issuer that fails to meet Rule 13.24. Under Rule 6.10, Stock Exchange may issue a delisting notice specifying a remedial period within which the issuer must re-comply with Rule 13.24 to avoid delisting.

Under Rule 6.01A(1), without prejudice to its rights under Rules 6.01 and 6.10, Stock Exchange may also delist a suspended issuer which fails to remedy the issues causing its suspension of trading and resume trading within 18 months from the date on which the trading suspension begins. As stated in the Stock Exchange's Guidance Letter on Long Suspension and Delisting HKEx-GL95-18 (paragraph 29), in the case of non-compliance with Rule 13.24, Stock he Exchange will normally apply the prescribed remedial period of 18 months under Rule 6.01A(1). During such period, the Company could take appropriate actions to demonstrate its re-compliance with Rule 13.24.

V. THE LISTING DIVISION'S ANALYSIS

Having considered the information available, Stock Exchange considers that the Company has failed to maintain a sufficient level of operations and assets of sufficient value to meet Rule 13.24. Factors that Stock Exchange has considered include the following:

On operation

The Coke Production Business, being the Company's core operation, has been suspended since October 2021. The Company has repeatedly failed to implement its business plans for resuming the Coke Production Business. In the past two years, the Company has been solely engaged in the Coke Trading Business and generated minimal revenue. Although the Company plans to resume its coke production through the Arrangements, such plan is preliminary and subject to uncertainties.

Overall, Stock Exchange does not consider that the above situation is a temporary downturn, and that the Company has a business that is of substance, viable and sustainable:

Coke Production Business

The Coke Production Business remains suspended pending the construction of the auxiliary facilities for the Furnaces. Over the past two years, Energy Technology has repeatedly failed to secure funding for these facilities. In July 2025, the Company submitted that Energy Technology had entered into the New Financing Agreement and was expected to receive RMB350 million on or before 31 July 2025. Based on this, the Company had anticipated resuming its coke production and generating revenue of RMB289 million in FY2026. However, Energy Technology did not receive the funding as expected. The Company has not provided any updates regarding when the relevant funding will be obtained under the New Financing Agreement.

In absence of the required auxiliary facilities, the Company proposes to resume its coke production through a new business model under the Arrangements. The Company will rely heavily on Energy Technology, which will provide all production facilities and labour and will also be responsible for the management of the coke production operations. The Company's role in and value added to this business will be limited. It is unclear why Energy Technology would lease its production plant of RMB8 billion to the Company for an annual rental fee of RMB100 million. Further, under the Arrangements, the Company will pay a significant upfront payment of RMB600 million upon inception. The Company intends to raise funds through debt and equity financing. However, the Company did not provide any concrete fundraising plan to satisfy such funding requirements. In any event, the Company has yet to agree on all the terms and sign the final agreement with Energy Technology for the Arrangements. Given the above, Stock Exchange does not consider this business plan to be credible.

The Company forecasts annual revenue of RMB6 billion to RMB10 billion generating gross profit of RMB1 billion to RMB2 billion from this business under the Arrangements. However, Stock Exchange considers such forecast to be unsupported by concrete evidence. In particular, it is unclear whether and how the fees payable to Energy Technology under the Arrangements has been reflected in the forecast.

Given the above, the Coke Production Business has not been demonstrated to have substance, viable and sustainable.

Coke Trading Business

The Coke Trading Business involves (i) purchasing raw coal from independent suppliers; (ii) processing raw coal by Energy Technology; (iii) purchasing processed coke from Energy Technology; and (iv) selling the coke to independent customers. The Company provided limited value-added services. This business generated minimal segment profits of HK$45,000 and HK$3,000 in FY2025 and FY2024 respectively (or profit margin of approximately 0.1%). Stock Exchange considers that the Coke Trading Business has not been demonstrated to be of substance and viable and sustainable.

Coal-Related Ancillary Business

The Coal-Related Ancillary Business has been suspended since April 2023. The Company does not have any plan to resume the Coal-Related Ancillary Business.

Gas Project

The proposed investment in the Gas Project is at a preliminary stage. It is unclear whether and how the investment would improve the Company's business performance.

On assets

As at 31 March 2025, the Company recorded net current liabilities of HK$444.5 million and maintained a cash balance of only HK$1.7 million. The Company reported total assets of HK$1,810.9 million, including the idle Furnaces of HK$1,665.4 million. There is no clear path to resuming the coke production and generating revenue from these assets. Further, on 2 August 2024, Cinda filed the Petition against the Company in respect of overdue debt and interest totaling HK$280.9 million. The Company's auditor issued a disclaimer of opinion on the Company's ability to continue as a going concern since FY2020.

Given the matters set out above, the Company does not appear to have sufficient assets to support the operation of a viable and sustainable business. Stock Exchange is not satisfied that the Company has sufficient assets to meet Rule 13.24.

Trading suspension and delisting procedures

Under Rule 13.24, an issuer must carry out a business with a sufficient level of operations and assets. The Company's current business performance and financial position give rise to Stock Exchange concerns about the Company's non-compliance with Rule 13.24. As explained above, having reviewed the Submission, Stock Exchange considers that the Company has failed to demonstrate that it has a sufficient level of operations and assets as it is required to do so under the Rule to warrant its continued listing.

Given Stock Exchange decision that the Company has failed to comply with Rule 13.24, Stock Exchange will suspend trading in the Company's shares under Rule 6.01(3) after the expiry of seven business days from the date of this letter if the Company does not request a review of the decision (see below). Before trading is allowed to resume, the Company must re-comply with Rule 13.24, fulfil any resumption guidance that may be set by the Exchange and is in full compliance with the Listing Rules to the Exchange's satisfaction. Under Rule 6.01A(1), Stock Exchange may cancel the listing of the Company's shares if trading remains suspended for a continuous period of 18 months.

RIGHT TO REVIEW

Under Chapter 2B, the Company has the right to have this decision referred to the Listing Committee for review. Any request for review must be served on the Secretary of the Listing Committee within seven business days from the date of this decision. Trading in the Company's shares will be suspended after the expiry of seven business days from the date of this decision, unless the Company applies for a review of this decision.

The Company is in the process of reviewing the Letter and will hold a board meeting to discuss and decide whether to lodge a request for the Decision to be referred to the Listing Committee for review.

Shareholders and potential investors of the Company are reminded that the outcome of the review, should a request be ever lodged, of the Decision by the Listing Committee is uncertain. Further announcements will be made by the Company as and when appropriate and in accordance with the requirements of 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
Huscoke Holdings Limited
Au Wing Sze
Company Secretary

Hong Kong, 8 September 2025

As at the date of this notice, the Board comprises Mr. Zhao Xu Guang (Chairman), and Mr. Wang Yijun as executive Directors; Mr. Wong Siu Hung, Patrick and Ms. Fong Man, Julisa as non-executive Directors; Mr. Yau Pak Yue, Dr. Chang Sun Bun, Benson and Mr. Choi Wai Hong, Clifford as independent non-executive Directors.