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**HUSCOKE HOLDINGS LIMITED**

**和嘉控股有限公司**

*(Incorporated in Bermuda with limited liability)*

**(Stock code: 704)**

**UPDATE ON MAJOR TRANSACTION INVOLVING  
FORMATION OF A JOINT VENTURE COMPANY**

The Board announces that on 20 November 2019, the Supplemental Shareholders Agreement is entered into between the Hong Kong Subsidiary and the JV Partner.

The entering into of the Shareholders Agreement (as supplemented by the Supplemental Shareholders Agreement) constitutes a major transaction on the part of the Company under Chapter 14 of the Listing Rules and is subject to the announcement and Shareholders' approval requirements under Chapter 14 of the Listing Rules. In lieu of holding a general meeting to approve the Shareholders Agreement (as supplemented by the Supplemental Shareholders Agreement), written approval on the Shareholders Agreement (as supplemented by the Supplemental Shareholders Agreement) has been obtained from the Controlling Shareholder holding in aggregate more than 50% of the issued share capital of the Company. The Company will not hold a general meeting to approve the Shareholders Agreement (as supplemented by the Supplemental Shareholders Agreement). A circular containing, among others, details of the Shareholders Agreement (as supplemented by the Supplemental Shareholders Agreement), will be despatched to the Shareholders for information only as soon as practicable and within 15 business days of this announcement in accordance with the Listing Rules.

Reference is made to the announcement (the "**Announcement**") of the Company dated 12 September 2019 in relation to, among others, the entering into of the Shareholders Agreement between the Hong Kong Subsidiary and the JV Partner in relation to the establishment of the Shanxi JV. Unless the context requires otherwise, capitalised terms used herein shall bear the same meanings as defined in the Announcement.

## **SUPPLEMENTAL SHAREHOLDERS AGREEMENT**

The Board announces that on 20 November 2019, after arm's length negotiations, the Hong Kong Subsidiary and the JV Partner enter into a supplemental shareholders agreement (the "**Supplemental Shareholders Agreement**") to supplement and amend certain terms of the Shareholders Agreement. A summary of the amendments to the Shareholders Agreement are set out as follows:

### **Amended Terms**

The Shanxi JV is planned to engage principally in project(s) of utilization of coke oven gas transforming into and producing LNG, synthetic ammonia, urea and related products, as well as the development of clean energy business including hydrogen. The business scope of the Shanxi JV is to develop new energy, clean energy utilization projects and chemical products (excluding hazardous chemicals) (the specific business scope is subject to the approval of the registration authorities).

Pursuant to the Supplemental Shareholders Agreement, the establishment of the Shanxi JV shall be subject to the following conditions:

- (1) all necessary consents and approval (including any board's and shareholders' approval) in relation to the establishment of the Shanxi JV having been obtained by the parties to the Shareholders Agreement;
- (2) compliance with the Listing Rules requirements on the part of the Hong Kong Subsidiary in relation to the establishment of the Shanxi JV; and
- (3) all necessary PRC governmental approval, waiver and consents in relation to the establishment of the Shanxi JV having been obtained.

The contributions to the registered capital of the Shanxi JV shall be made by the respective parties within three months upon the issue of the business license of the Shanxi JV.

The board of directors of the Shanxi JV will comprise three directors, of whom one director will be appointed by the JV Partner and two directors will be appointed by the Hong Kong Subsidiary.

### **Additional Term**

The period of contributions to the registered capital of the Shanxi JV ultimately subjects to the administrative approval or registration of the projects. If the administrative approval or registration required for the project of utilization of coke oven gas is not obtained within three months after the establishment of the Shanxi JV, the parties agree to modify the joint venture contract and articles of association of the Shanxi JV to further extend the funding period until the Shanxi JV completes all required administrative approval or registration.

Save as disclosed above, all other terms and conditions of the Shareholders Agreement remain unchanged.

The Directors consider that the terms and conditions of the Supplemental Shareholders Agreement are entered into upon normal commercial terms after arm's length negotiations among the parties thereto and the terms of the Shareholders Agreement (as supplemented by the Supplemental Shareholders Agreement) are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

## **LISTING RULES IMPLICATIONS**

The entering into of the Shareholders Agreement (as supplemented by the Supplemental Shareholders Agreement) constitutes a major transaction on the part of the Company under Chapter 14 of the Listing Rules and is subject to the announcement and Shareholders' approval requirements under Chapter 14 of the Listing Rules. To the best of the Directors' knowledge, information and belief, no Shareholders have a material interest in the Shareholders Agreement and the Supplemental Shareholders Agreement and no Shareholders would have to abstain from voting if the Company is to convene a SGM to approve the Shareholders Agreement (as supplemented by the Supplemental Shareholders Agreement) and the transactions contemplated thereunder.

In lieu of holding a general meeting to approve the Shareholders Agreement (as supplemented by the Supplemental Shareholders Agreement), written approval on the Shareholders Agreement (as supplemented by the Supplemental Shareholders Agreement) has been obtained from Shun Wang Investments Limited (the "**Controlling Shareholder**"), which is interested in an aggregate of 1,468,419,047 Shares, representing approximately 52.70% of the issued share capital of the Company, pursuant to Rule 14.44 of the Listing Rules. The Company will not hold a general meeting to approve the Shareholders Agreement (as supplemented by the Supplemental Shareholders Agreement).

A circular containing, among others, details of the Shareholders Agreement (as supplemented by the Supplemental Shareholders Agreement), will be despatched to the Shareholders for information only as soon as practicable and within 15 business days of this announcement in accordance with the Listing Rules.

**Completion is subject to the fulfilment of various condition precedents and therefore the Shareholders Agreement (as supplemented by the Supplemental Shareholders Agreement) together with the transactions contemplated thereunder may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.**

By order of the Board of  
**Huscoke Holdings Limited**  
**So Chiu Fung**  
*Executive Director*

Hong Kong, 20 November 2019

*As at the date of this announcement, the Board comprises Mr. Zhao Xu Guang (Chairman), Mr. Li Qinghua, Mr. So Chiu Fung and Mr. Wang Yijun as executive Directors; Mr. Wong Siu Hung, Patrick and Mr. Huang Man Yem as non-executive Directors; Mr. Lam Hoy Lee, Laurie, Mr. To Wing Tim, Paddy and Dr. Wang Wei Hsin as independent non-executive Directors.*