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## **HUSCOKE HOLDINGS LIMITED**

### **和嘉控股有限公司**

*(Incorporated in Bermuda with limited liability)*

**(Stock code: 704)**

### **CONNECTED TRANSACTION IN RELATION TO ENTERING INTO COAL AND COKE SETTLEMENT AGREEMENT**

The Board is announcing that, on 18 March 2024, Energy Jiarun and Energy Technology conduct a trial coke production cooperation in accordance with the principles stipulated in the coke cooperation agreement signed on 7 December 2023. As a method of delivering raw materials and finished products for this trial cooperation, Energy Jiarun and Energy Technology have entered into a Coal and Coke Settlement Agreement, pursuant to which, Energy Jiarun will provide with approximately 14,000 tons of raw materials which is mixed coal to Energy Technology in a single month, the amount to be settled is RMB20,328,000. Energy Technology will process the mixed coal into no less than 10,000 tons of quasi-first-grade coke and chemical by-products such as crude benzene and coal tar within this month, of which no less than 10,000 tons of quasi-first-grade coke will be delivered to Energy Jiarun, the amount to be settled is RMB17,580,000, and the remaining chemical by-products are not involved in this settlement.

#### **IMPLICATIONS UNDER THE LISTING RULES**

Energy Technology directly holds 10% shares of Energy Jiarun. Accordingly, Energy Technology is a connected person of the Company at a subsidiary level, entering the Coal and Coke Settlement Agreement constitute connected transaction of the Company.

As (i) Energy Technology is a connected person of the Company at the subsidiary level; (ii) the Board has approved the Coal and Coke Settlement Agreement and the transactions contemplated thereunder; and (iii) the independent non-executive Directors have confirmed

that the terms of the Coal and Coke Settlement Agreement are fair and reasonable and the Coal and Coke Settlement Agreement and the transactions contemplated thereunder are on normal commercial terms or better and in the interests of the Company and the Shareholders as a whole, by virtue of Rule 14A.101 of the Listing Rules, the Coal and Coke Settlement Agreement and the transactions contemplated thereunder are subject to the reporting and announcement requirements but are exempted from the circular, independent financial advice and Shareholders' approval requirements under Chapter 14A of the Listing Rules.

To the best of knowledge, information and belief of the Directors having made all reasonable enquiries, no other Director has a material interest in the Coal and Coke Settlement Agreement and was required to abstain from voting on the relevant Board resolutions approving the Coal and Coke Settlement Agreement in accordance with the Articles of Association of the Company.

Reference is made to the Company's announcement dated 7 December 2023 in relation to entering into a coke cooperative production agreement (the "**Announcement**"). Capitalized terms used in this announcement shall have the same meanings as those defined in the Announcement unless defined otherwise herein.

The Board is announcing that on 18 March 2024, Shanxi Jinyan Energy Jiarun Co., Ltd\* (山西金岩能源嘉潤有限責任公司) ("**Energy Jiarun**"), an indirect non-wholly-owned subsidiary of the Company, entered into the Coal and Coke Settlement Agreement with Shanxi Jinyan Energy Technology Company Limited\* (山西金岩能源科技有限公司) ("**Energy Technology**"), pursuant to which, pursuant to which Energy Jiarun will provide with approximately 14,000 tons of raw materials which is mixed coal to Energy Technology in a single month, the amount to be settled is RMB20,328,000. Energy Technology will process the mixed coal into no less than 10,000 tons of quasi-first-grade coke and chemical by-products such as crude benzene and coal tar within this month, of which no less than 10,000 tons of quasi-first-grade coke will be delivered to Energy Jiarun, the amount to be settled is RMB17,580,000, and the remaining chemical by-products are not involved in this settlement.

## **Coal and Coke Settlement Agreement**

### **Coal Settlement Agreement**

Date	:	18 March 2024
Parties	:	(1) Shanxi Jinyan Energy Jiarun Co., Ltd* (山西金岩能源嘉潤有限責任公司), an indirect non-wholly-owned subsidiary of the Company as the supplier.  (2) Shanxi Jinyan Energy Technology Company Limited* (山西金岩能源科技有限公司), is a connected person of the Company at the subsidiary level as the demander.

Subject Matter, Consideration and payment terms : Energy Jiarun will provide with a total of 14,000 tons of raw materials and mixed coal to Energy Technology at the prevailing market price, with a price of RMB1,452 per ton. The amount to be settled is RMB20,328,000. Energy Technology must pay the full payment in cash in advance and then the products will be delivered by Energy Jiarun.

### **Coke Settlement Agreement**

Date : 18 March 2024

Parties : (1) Shanxi Jinyan Energy Jiarun Co., Ltd\* (山西金岩能源嘉潤有限責任公司), an indirect non-wholly-owned subsidiary of the Company as the demander.

(2) Shanxi Jinyan Energy Technology Company Limited\*(山西金岩能源嘉潤有限責任公司), is a connected person of the Company at the subsidiary level as the supplier.

Subject Matter, Consideration and payment terms : Energy Technology will process the mixed coal into no less than 10,000 tons of quasi-first-grade coke and chemical by-products, of which the quasi-first-grade coke will be delivered at the prevailing market price, with a price of approximately RMB1,758 per ton. The amount to be settled is RMB17,580,000. Energy Jiarun must pay the full payment in cash in advance and then the products will be delivered by Energy Technology.

### **REASONS FOR AND BENEFITS OF THE COAL AND COKE SETTLEMENT AGREEMENT**

As stated in the Announcement, Energy Jiarun has agreed with Energy Technology on the principles of production cooperation. The Coal and Coke Settlement Agreement is the method of delivery of raw materials and finished products in the production cooperation. Its terms are normal commercial terms and are of the Company's general business operations. The specific prices for the settlement of mixed coal and quasi-first-grade coke will be negotiated on an arm's length basis between the Group and Energy Technology with reference to market prices when entering into the Coal and Coke Settlement Agreement.

The Company believes that the production cooperation will help the Company maintains its customer relationships and to and to satisfy their needs and be prepared for the formal commencement of production before Coking Furnace Assets are officially put into operation.

The Directors (including the independent non-executive Directors) consider that the Coal and Coke Settlement Agreement have been entered into on normal commercial terms or better, and the terms and conditions therein are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

## **INFORMATION ON THE GROUP AND THE PARTIES**

The Company is a company incorporated in Bermuda with limited liability and the Group is principally engaged in (i) trading of coke; (ii) washing of raw coal into refined coal for sale and for further processing and the sale of electricity and heat generated; and (iii) processing of refined coal into coke for sale, and sale of coke by-products of coke production.

Shanxi Jinyan Energy Technology Company Limited\* (山西金岩能源科技有限公司), a company established in the PRC with limited liability and it directly holds 10% shares of Energy Jiarun and is principally engaged in coke production and coke trading business.

## **IMPLICATIONS UNDER THE LISTING RULES**

As at the date of this announcement, as (i) Energy Technology is a connected person of the Company at the subsidiary level; (ii) the Board has approved the Coal and Coke Settlement Agreement and the transactions contemplated thereunder; and (iii) the independent non-executive Directors have confirmed that the terms of the Coal and Coke Settlement Agreement are fair and reasonable and the Coal and Coke Settlement Agreement and the transactions contemplated thereunder are on normal commercial terms or better and in the interests of the Company and the Shareholders as a whole, by virtue of Rule 14A.101 of the Listing Rules, the Coal and Coke Settlement Agreement and the transactions contemplated thereunder are subject to the reporting and announcement requirements but are exempted from the circular, independent financial advice and Shareholders' approval requirements under Chapter 14A of the Listing Rules.

## **APPROVAL OF THE BOARD**

The Board has approved the Coal and Coke Settlement Agreement and the transactions contemplated thereunder. None of the Directors had any material interest in the transactions contemplated under the Coal and Coke Settlement Agreement. Therefore, no Director is required to abstain from voting on the resolutions of the Board in approving the Subcontracting Agreements and the transactions contemplated thereunder.

## DEFINITIONS

In this announcement, the following expressions shall have the following meanings unless the context requires otherwise:

“Board”	the board of Directors of the Company
“Coal and Coke Settlement Agreement”	Coal Settlement Agreement and Coke Settlement Agreement dated 18 March 2024 entered into among Energy Jiarun and Energy Technology as trial delivery arrangements for production cooperation agreed by both parties.
“Company”	Huscoke Holdings Limited, a company incorporated in Bermuda with limited liability and the issued Shares of which are listed and traded on the Main Board of the Stock Exchange (stock code: 704)
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	director(s) of the Company
“Energy Jiarun”	Shanxi Jinyan Energy Jiarun Co., Ltd* (山西金岩能源嘉潤有限責任公司), an indirect non-wholly-owned subsidiary of the Company
“Energy Technology”	Shanxi Jinyan Energy Technology Company Limited* (山西金岩能源科技有限公司), a company established in the PRC with limited liability
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“RMB”	Renminbi, the lawful currency of the PRC

“Shareholder(s)”                      the holder(s) of the share(s) of the Company

“Stock Exchange”                      The Stock Exchange of Hong Kong Limited

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

Hong Kong, 18 March 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.*

*\* For identification purpose only*