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HUSCOKE HOLDINGS LIMITED
和嘉控股有限公司

(Incorporated in Bermuda with limited liability)
(Stock code: 704)

ANNOUNCEMENT OF UNAUDITED ANNUAL RESULTS FOR THE YEAR ENDED 31 MARCH 2024

RESULTS HIGHLIGHTS

- Loss for the year ended 31 March 2024 was HK$35,528,000.
- Loss attributable to owners of the Company was HK$35,521,000.
- Basic loss per share was HK$0.12.
- As at 31 March 2024, the net assets amounted to HK$1,085,274,000.
- The net assets per share was HK$3.74.

The board (the "**Board**") of directors (the "**Directors**") of Huscoke Holdings Limited (the "**Company**") is pleased to announce the unaudited consolidated results of the Company and its subsidiaries (collectively, the "**Group**") for the year ended 31 March 2024 together with the relevant audited comparative figures for the fifteen months from 1 January 2022 to 31 March 2023 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND COMPREHENSIVE INCOME

For the year ended 31 March 2024

	Notes	**Year ended 31 March 2024** *HK$'000* **(Unaudited)**	Period from 1 January 2022 to 31 March 2023 *HK$'000* (Audited)
REVENUE	*4*	**2,403**	34,726
Cost of sales		**(2,400)**	(125,638)
Gross profit/(loss)		**3**	(90,912)
Other income and gains, net	*4*	**22,690**	340,605
Gain on disposal of subsidiaries	*16(b)*	**–**	1,693,981
Selling and distribution costs		**–**	(1,565)
Administrative expenses		**(27,116)**	(114,007)
Finance costs	*5*	**(31,105)**	(157,108)
Other operating expenses, net	*6*	**–**	(34,316)
(LOSS)/PROFIT BEFORE TAX	*6*	**(35,528)**	1,636,678
Income tax	*7*	**–**	(387,817)
(LOSS)/PROFIT FOR THE YEAR/PERIOD		**(35,528)**	1,248,861
Other comprehensive expenses			
Items that may be reclassified subsequently to profit or loss, net of tax:			
Exchange differences on translation of foreign operations:			
Exchange differences arising on translation of foreign operations		**(68,880)**	(11,571)
Reclassification of foreign currency translation reserve upon disposal of subsidiaries		**–**	(82,026)
Other comprehensive expenses for the year/period, net of tax		**(68,880)**	(93,597)
TOTAL COMPREHENSIVE (EXPENSES)/ INCOME FOR THE YEAR/PERIOD		**(104,408)**	1,155,264

	Notes	Year ended 31 March 2024 HK$'000 (Unaudited)	Period from 1 January 2022 to 31 March 2023 HK$'000 (Audited)
(LOSS)/PROFIT FOR THE YEAR/PERIOD ATTRIBUTABLE TO:			
Owners of the Company		**(35,521)**	1,250,165
Non-controlling interests		**(7)**	(1,304)
		(35,528)	1,248,861
TOTAL COMPREHENSIVE (EXPENSES)/ INCOME FOR THE YEAR/PERIOD ATTRIBUTABLE TO			
Owners of the Company		**(95,243)**	1,155,600
Non-controlling interests		**(9,165)**	(336)
		(104,408)	1,155,264
(LOSS)/PROFIT PER SHARE			
Basic	*8*	**(HK$0.12)**	HK$4.35
Diluted	*8*	**(HK$0.12)**	HK$4.35

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 March 2024

	Notes	**31 March 2024** ***HK$'000*** **(Unaudited)**	31 March 2023 *HK$'000* (Audited)
Non-Current Assets			
Property, plant and equipments	*10*	**1,687,336**	1,778,913
Financial assets at fair value through profit or loss		**1,508**	1,508
Total non-current assets		**1,688,844**	1,780,421
Current Assets			
Trade receivables	*11*	**1,719**	–
Prepayments, deposits and other receivables	*12*	**134,174**	129,064
Cash and bank balances		**2,448**	601
Total current assets		**138,341**	129,665
Current Liabilities			
Trade payables	*14*	**1,715**	–
Other payables, accruals and deposit received	*15*	**98,340**	59,199
Bank and other borrowings		**218,188**	218,188
Lease liabilities		**1,402**	2,717
Tax payable		**145,109**	76,500
Total current liabilities		**464,754**	356,604
Net current liabilities		**(326,413)**	(226,939)
Total assets less current liabilities		**1,362,431**	1,553,482

	Notes	**31 March 2024** **HK$'000** **(Unaudited)**	31 March 2023 *HK$'000* (Audited)
Non-Current Liabilities			
Other payables, accruals and deposit received	*15*	**58,123**	58,504
Lease liabilities		**1,370**	–
Tax payable		**217,664**	305,996
Total non-current liabilities		**277,157**	364,500
Net assets		**1,085,274**	1,188,982
Equity			
Equity attributable to owners of the Company			
Share capital		**29,037**	28,707
Reserves		**887,787**	982,660
		916,824	1,011,367
Non-controlling interests		**168,450**	177,615
Total equity		**1,085,274**	1,188,982

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2024

1. CORPORATE INFORMATION

Huscoke Holdings Limited was incorporated in Bermuda as an exempted company with limited liability and its shares are listed on the Stock Exchange. The registered office at the end of the reporting year is located at Victoria Place, 5th Floor, 31 Victoria Street, Hamilton HM 10, Bermuda and the principal office at the end of the reporting year is located at Room 3604-05, 36/F., Tower One, Lippo Centre, 89 Queensway, Admiralty, Hong Kong.

At 31 March 2024, the directors consider that the immediate and ultimate controlling party of the Group to be Shun Wang Investments Limited, a company incorporated in the British Virgin Islands and wholly-owned by Mr. Zhao Xu Guang, a director of the Company.

During the year, the Company and its subsidiaries (collectively, the "**Group**") were involved in the following activities: (i) coke trading business; (ii) coal-related ancillary business; and (iii) coke production business.

The consolidated financial statements are presented in Hong Kong dollars ("**HK$**") and all values are rounded to the nearest thousand ("**HK$'000**"), unless otherwise stated.

The current financial statements cover a twelve-month year ended 31 March 2024 and the comparative financial statements cover a fifteen-month period ended 31 March 2023. The comparative amounts are, therefore, not entirely comparable.

2.1 BASIS OF PREPARATION

These consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("**HKFRSs**") (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("**HKASs**") and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**"), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for financial assets at fair value through profit or loss which have been measured at fair value.

As at 31 March 2024, the Group had net current liabilities of approximately HK$326,413,000. Further, no revenue was generated from the new operating assets up to date, which bring significant impacts on the Group's operations. These conditions indicate the existence of a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern. The consolidated financial statements have been prepared on a going concern basis, the validity of which depends upon the Group's ability to make the new operating assets in full operation on schedule, the completion of the fund-raising activities and the success in delaying the payments by persuading its creditors of the Group not to insist on demanding repayment before the full operation of the Group's new operating assets. The consolidated financial statements do not include any adjustments that would result from the failure to make the new operating assets in full operation on schedule, to complete the fund-raising activities and to delay the repayments.

The directors of the Company ("**Directors**") have given careful consideration to the future liquidity of the Group and are of the opinion that the Group will be able to meet its financial obligations as they fall due for the foreseeable future, and accordingly, are satisfied that it is appropriate to prepare these consolidated financial statements on a going concern basis.

2.2 ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

In the current year, the Group has adopted all the new and revised HKFRSs issued by the HKICPA that are relevant to its operations and effective for its accounting year beginning on 1 April 2023. The adoption of these new and revised HKFRSs did not result in significant changes to the Group's accounting policies, presentation of the Group's consolidated financial statements and amounts reported for the current year and prior period/years.

The Group has not applied the new HKFRSs that have been issued but are not yet effective. The Group has already commenced an assessment of the impact of these new HKFRSs but is not yet in a position to state whether these new HKFRSs would have a material impact on its results of operations and financial position.

3. OPERATING SEGMENTS INFORMATION

For management purposes, the Group is organised into business units based on their products and services and has the following reportable operating segments:

(a) the coke trading segment — purchases and sales of coke and coal;

(b) the coal-related ancillary segment — washing of raw coal into refined coal for sale and for further processing, and sale of electricity and heat which are generated as the by-products during the washing of raw coal; and

(c) the coke production segment — processing of refined coal into coke for sales, and sale of coke by-products that are generated during coke production.

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on reportable segment (loss)/profit, which is a measure of adjusted profit before tax. The adjusted profit before tax is measured consistently with the Group's profit before tax except that interest income, unallocated other income, corporate and administrative expenses, other operating income, finance costs and income tax expense are excluded from such measurement.

Segment assets exclude cash and bank balances, restricted bank deposits, financial assets at fair value through profit or loss, other unallocated head office and corporate assets as these assets are managed on a group basis.

Segment liabilities exclude other borrowings, lease liabilities, deferred tax liabilities and other unallocated head office and corporate liabilities as these liabilities are managed on a group basis.

Intersegment sales and transfers are transacted at cost plus a certain percentage of mark-up.

Segment revenue and results

For the year ended 31 March 2024 (Unaudited)

	Coke trading *HK$'000* (Unaudited)	Coal-related ancillary *HK$'000* (Unaudited)	Coke Production *HK$'000* (Unaudited)	Eliminations *HK$'000* (Unaudited)	Total *HK$'000* (Unaudited)
Segment revenue:					
— external sale	2,403	–	–	–	2,403
— intersegment sale	–	–	–	–	–
Other income	–	–	–	–	–
Total	2,403	–	–	–	2,403
Segment results	3	–	–	–	3
Unallocated other income					274
Compensation income					22,416
Corporate administrative expenses *(Note)*					(27,116)
Finance costs					(31,105)
Profit before tax					(35,528)
Income tax expense					–
Profit for the period					(35,528)

	Coke trading *HK$'000* (Unaudited)	Coal-related ancillary *HK$'000* (Unaudited)	Coke Production *HK$'000* (Unaudited)	Corporate and unallocated *HK$'000* (Unaudited)	Total *HK$'000* (Unaudited)
Segment assets	–	–	1,684,584	142,601	1,827,185
Segment liabilities	–	–	–	741,911	741,911
Other segment information:					
Additions of property, plant and equipment	–	–	–	2,959	2,959
Depreciation	–	–	–	2,952	2,952

For the fifteen months ended 31 March 2023 (Audited)

	Coke trading *HK$'000* (Audited)	Coal-related ancillary *HK$'000* (Audited)	Coke production *HK$'000* (Audited)	Eliminations *HK$'000* (Audited)	Total *HK$'000* (Audited)
Segment revenue:					
— external sale	–	34,726	–	–	34,726
— intersegment sale	–	–	–	–	–
Other income	–	28,336	–	–	28,336
Total	–	63,062	–	–	63,062
Segment results	–	(64,141)	–	–	(64,141)
Unallocated other income					4,460
Compensation income					41,367
Interest income arising in other receivables					129,752
Imputed interest income of amount due to a former subsidiary					12,058
Amortisation on financial guarantee contracts					124,632
Gain on disposal of subsidiaries					1,693,981
Impairment loss for prepayments, deposits and other receivables					(34,316)
Corporate administrative expenses *(Note)*					(114,007)
Finance costs					(157,108)
Profit before tax					1,636,678
Income tax expense					(387,817)
Profit for the period					1,248,861

	Coke trading *HK$'000* (Audited)	Coal-related ancillary *HK$'000* (Audited)	Coke production *HK$'000* (Audited)	Corporate and unallocated *HK$'000* (Audited)	Total *HK$'000* (Audited)
Segment assets	–	–	1,776,167	133,919	1,910,086
Segment liabilities	–	–	–	721,104	721,104
Other segment information:					
Additions of property, plant and equipment	–	–	1,776,167	5,835	1,782,002
Depreciation	–	–	–	4,323	4,323

Note: Unallocated corporate administrative expenses mainly include corporate's staff cost and Directors' remuneration, legal and professional fee, PRC local tax and depreciation of unallocated property, plant and equipment.

Geographical information

(a) Revenue from external customers

In presenting the geographical information, revenue is all derived from the PRC. The revenue information is based on the locations of the customers.

(b) Non-current assets

	31 March 2024	31 March 2023
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Hong Kong	**2,752**	2,746
The PRC	**1,684,584**	1,776,167
	1,687,336	1,778,913

The non-current asset information is based on the locations of the assets and excludes financial instruments and deferred tax assets.

Information about major customers

Revenues from external customers individually contributing 10% or more of the total revenue from the Group are as follows:

	Year ended 31 March 2024	Period from 1 January 2022 to 31 March 2023
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Customer A	***N/A**	20,836
Customer B	**1,533**	*N/A
Customer C	**870**	*N/A

* These customers did not individually contribute 10% or more of the total revenue from the Group in the year ended 31 March 2024 or the fifteen months ended 31 March 2023.

4. REVENUE, OTHER INCOME AND GAINS

Revenue represents the net invoiced value of goods sold, after allowances for returns and trade discounts, and the value of services rendered during the year/period. An analysis of revenue and other income and gains are as follows:

	Year ended 31 March 2024 *HK$'000* **(Unaudited)**	Period from 1 January 2022 to 31 March 2023 *HK$'000* (Audited)
Revenue		
Sales of electricity and heat	**–**	34,726
Sales of medium coal, coke and by-products	**2,403**	–
	2,403	34,726

The revenue is recognised at a point in time.

Other income and gains, net		
Compensation income *(Note a)*	**22,416**	41,367
Interest income from bank deposits	**1**	2
Interest income from the non-controlling shareholder of a subsidiary	**–**	39,421
Interest charged back to Jinyan Electricity related borrowing *(Note b)*	**–**	90,331
Imputed interest income of amount due to a former subsidiary *(Note 13(b))*	**–**	12,058
Governments grant *(Note c)*	**–**	28,336
Sundry income	**273**	4,458
Amortisation on financial guarantee contracts	**–**	124,632
	22,690	340,605

Notes:

(a) In 2019, the Group paid a trade deposit of US$22,000,000 to Shanxi Jinyan Energy Technology Company Limited* (山西金岩能源科技有限公司) ("**Energy Technology**") for the coke trading business. However, due to the downtrend of international coke price, both parties agreed to terminate the plan and Energy Technology agreed to refund such trade deposit by instalment with compensation to the Group. Upon the completion of the acquisition of a new subsidiary, Shanxi Jinyan Energy Jiarun Co., Ltd* (山西金岩能源嘉潤有限責任公司) ("**Energy Jiarun**"), on 18 January 2023, Energy Technology became a non-controlling shareholder of a subsidiary of the Group.

(b) For the fifteen months ended 31 March 2023, the interests were derived from the unrecorded loans and the relevant accrued interests in relation to the incident caused by Xiaoyi Jinyan Electricity Coke Chemical Company Limited*(孝義市金岩電力煤化工有限公司) ("**Jinyan Electricity**"), being the 9% minority shareholder of GRG Huscoke (Shanxi) Limited* (山西金岩和嘉能源有限公司) ("**GRG Huscoke**") (the "**Incident**"). Details of which are set out in the Company's annual report for the year ended 31 December 2020 and the Company's announcements dated 18 January 2022 and 26 May 2022.

(c) For the fifteen months ended 31 March 2023, government grants have been received for supplying heat in the PRC. There are no unfulfilled conditions or contingencies relating to these grants.

* *For identification purpose only*

5. FINANCE COSTS

	Year ended 31 March 2024 HK$'000 (Unaudited)	Period from 1 January 2022 to 31 March 2023 HK$'000 (Audited)
Interest expenses on other borrowings	**28,352**	35,917
Interest expenses on lease liabilities	**95**	702
Imputed interest expenses on amount due to a former subsidiary *(Note 13(b))*	**2,658**	1,854
Interest expenses on Jinyan Electricity related borrowing	**–**	114,545
Interest expenses on other payables	**–**	4,090
	31,105	157,108

6. (LOSS)/PROFIT BEFORE TAX

The Group's (loss)/profit before tax is arrived at after charging:

	Year ended 31 March 2024 HK$'000 (Unaudited)	Period from 1 January 2022 to 31 March 2023 HK$'000 (Audited)
Auditor's remuneration	**950**	1,000
Cost of inventories	**2,400**	125,638
Depreciation		
— Owned	**60**	639
— Right-of-use assets	**2,892**	3,684
Employee benefit expense (including Director's remuneration):		
— Wages and salaries	**9,891**	31,923
— Pension scheme contributions *(Note a)*	**370**	6,895
Total employee benefit expenses	**10,261**	38,818
(Gain) on disposal of property, plant and equipment	**(273)**	–
Provision of loss allowance of prepayments, deposits and other receivables, net *(Note b)*	**–**	34,316

Notes:

(a) As at 31 March 2024 and 31 March 2023, the Group had no forfeited contributions available to reduce its contributions to the pension schemes in future years.

(b) For the fifteen months ended 31 March 2023, this balance was included in "Other operating expenses, net" in the consolidated profit or loss.

7. INCOME TAX EXPENSE

No provision for Hong Kong profits tax was made as there were no assessable profits arising in Hong Kong during the year ended 31 March 2024 and during the fifteen months ended 31 March 2023.

The income tax provision in respect of operations in the PRC is calculated at the applicable tax rates of 25% on the estimated assessable profits for the year based on existing legislation, interpretations and practices.

	Year ended 31 March 2024	Period from 1 January 2022 to 31 March 2023
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Current — Hong Kong	**–**	–
Current — The PRC		
Provision for the year/period	**–**	387,817
	–	387,817
Deferred tax expenses for the year/period	**–**	–
	–	387,817

8. (LOSS)/PROFIT PER SHARE

Basic (loss)/profit per share

The calculation of basic (loss)/profit per share attributable to owners of the Company is based on the unaudited (loss)/profit for the year/period attributable to owners of the Company of approximately HK$(35,521,000) (2023: audited profit of HK$1,250,165,000) and the weighted average number of ordinary shares of 290,373,235 (2023: 287,071,349) in issue during the year.

Diluted (loss)/profit per share

No diluted (loss)/profit per share are presented as the Company did not have any dilutive potential ordinary sharing during the year ended 31 March 2024 and during the fifteen months ended 31 March 2023.

9. DIVIDEND

The board of Directors does not recommend the payment of any dividend for the year ended 31 March 2024 (2023: Nil).

10 PROPERTY, PLANT AND EQUIPMENT

	Building	Other properties leased for own use carried at cost	Leasehold improvement	Furnaces and infrastructure	Plant and machinery	Computer equipment	Furniture and fixtures	Motor vehicles	Construction in progress	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Cost										
At 1 January 2022 (Audited)	383,823	20,381	1,653	544,655	640,813	77,368	410	23,816	–	1,692,919
Additions (Audited)	–	5,772	–	–	–	63	–	–	–	5,835
Acquisition of subsidiaries *(note 16(a))* (Audited)	–	–	–	–	–	–	–	–	1,776,167	1,776,167
Disposal of subsidiaries (Audited)	(357,513)	(9,669)	–	(507,321)	(596,887)	(72,065)	–	(18,701)	–	(1,562,156)
Transfer (Audited)	–	(9,977)	–	–	–	–	–	–	–	(9,977)
Exchange realignment (Audited)	(26,310)	(734)	–	(37,334)	(43,926)	(5,303)	–	(1,376)	–	(114,983)
At 31 March 2023 and 1 April 2023 (Audited)	–	5,773	1,653	–	–	63	410	3,739	1,776,167	1,787,805
Additions (Unaudited)	–	2,959	–	–	–	–	–	–	–	2,959
Transfer (Unaudited)	–	(5,773)	–	–	–	–	–	–	–	(5,773)
Exchange realignment (Unaudited)	–	–	–	–	–	–	–	–	(91,583)	(91,583)
At 31 March 2024 (Unaudited)	–	2,959	1,653	–	–	63	410	3,739	1,684,584	1,693,408
Accumulated depreciation and impairment										
At 1 January 2022 (Audited)	383,823	19,823	1,653	544,655	640,813	77,368	373	23,177	–	1,691,685
Charge for the period (Audited)	–	3,684	–	–	–	35	4	600	–	4,323
Written back on disposal of subsidiaries (Audited)	(357,513)	(9,669)	–	(507,321)	(596,887)	(72,065)	–	(18,701)	–	(1,562,156)
Transfer (Audited)	–	(9,977)	–	–	–	(29)	29	–	–	(9,977)
Exchange realignment (Audited)	(26,310)	(734)	–	(37,334)	(43,926)	(5,303)	–	(1,376)	–	(114,983)
At 31 March 2023 and 1 April 2023 (Audited)	–	3,127	1,653	–	–	6	406	3,700	–	8,892
Charge for the year (Unaudited)	–	2,892	–	–	–	19	2	39	–	2,952
Transfer (Unaudited)	–	(5,772)	–	–	–	–	–	–	–	(5,772)
Exchange realignment (Unaudited)	–	–	–	–	–	–	–	–	–	–
At 31 March 2024 (Unaudited)	–	247	1,653	–	–	25	408	3,739	–	6,072
Carrying amount										
At 31 March 2024 (Unaudited)	–	2,712	–	–	–	38	2	–	1,684,584	1,687,336
At 31 March 2023 (Audited)	–	2,646	–	–	–	57	4	39	1,767,167	1,778,913

11. TRADE RECEIVABLES

	31 March 2024 *HK$'000* **(Unaudited)**	31 March 2023 *HK$'000* (Audited)
Trade receivables:		
— third parties	**859**	–
— non-controlling shareholder of a subsidiary *(Note 13)*	**860**	–
	1,719	–
Less: Loss allowance	**–**	–
	1,719	–
Less: Current portion	**(1,719)**	–
Non-current portion	**–**	–

The ageing analysis of the trade receivables (net of loss allowance) by invoice date at the end of the reporting year/period is as follows:

	31 March 2024 *HK$'000* **(Unaudited)**	31 March 2023 *HK$'000* (Audited)
Within 3 months	**1,719**	–
3 to 4 months	**–**	–
Over 4 months	**–**	–
	1,719	–

12. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	31 March 2024	31 March 2023
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Prepayments, deposits and other receivables due from third parties	**26,090**	25,699
Trade deposits and other receivables from Energy Technology *(Note 13)*	**166,398**	161,679
Less: Loss allowance	**(58,314)**	(58,314)
	134,174	129,064
Less: Current portion	**(134,174)**	(129,064)
Non-current portion	**–**	–

13. AMOUNT DUE FROM THE NON-CONTROLLING SHAREHOLDER OF A SUBSIDIARY

	31 March 2024	31 March 2023
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Trade receivables *(Note 11) (Notes a and b)*	**860**	–
Trade deposits and other receivables from Energy Technology *(Note 12)*	**132,081**	127,363
	132,941	127,363
Less: Current portion	**(132,941)**	(127,363)
Non-current portion	**–**	–

Notes:

(a) The balances are trade in nature and non-interest-bearing.

(b) On 31 December 2018, GRG Huscoke, an indirect 90%-owned subsidiary of the Company, entered into a debt transfer agreement with Jinyan Electricity, Xiaoyi ILNG Natural Gas Production Company Limited* (孝義市愛路恩濟天然氣製造有限公司) ("**Xiaoyi ILNG**") and Energy Technology (the "**Debt Assignee**"), and Mr. Wen Kezhong* (溫克忠先生), pursuant to which GRG Huscoke, the Jinyan Electricity and Debt Assignee agreed to assign the trade and other receivables from the Jinyan Electricity of approximately RMB365,826,000 (equivalent to approximately HK$411,627,000) together with aggregate amounts due from its affiliates of approximately RMB36,477,000 (equivalent to approximately HK$41,044,000) to the Debt Assignee (together the "**Assigned Debt**") (the "**Debt Assignment**").

Further details of the Debt Assignment are set out in the Company's announcement dated 3 January 2019. The Debt Assignment is only pursuable subject to the fulfillment of certain conditions including the approval from the Stock Exchange and the approval of shareholders of the Company at a special general meeting ("**SGM**"). According to the Debt Assignment, the Assigned Debt is interest-bearing at 5% p.a. and the Debt Assignee shall repay the Assigned Debt within 1 year from the date of the Debt Assignment together with accrued interest. A conversion right is also granted to the JV Subsidiary which can partially or fully convert the Assigned Debt to not more than 12% of the enlarged registered capital of the Debt Assignee by subscription of new registered capital or transfer of existing registered capital held by Xiaoyi ILNG within 1 year from the date of the Debt Assignment. The Assigned Debt is secured by 12% registered capital of the Debt Assignee held by Xiaoyi ILNG and the personal guarantee from Mr. Wen Kezhong* (溫克忠先生).

Reference is made to the announcement of the Company dated 5 November 2019, in which it was disclosed that the Company entered into a new framework agreement (the "**New Framework Agreement**") with GRG Huscoke, Jinyan Electricity, Xiaoyi Jianeng Coal Chemical Technology Development Company Limited* (孝義市嘉能煤化科技開發有限公司), Energy Technology, Xiaoyi ILNG, Mr. Yang Linhai* (楊林海先生) and Mr. Wu Tangjun* (武堂俊先生) pursuant to which the Company and/or designated company within the Group intend to acquire and to subscribe for the share capital of Energy Technology such that the Company will be interested in a controlling shareholding stake of more than 50% of the enlarged share capital of Energy Technology.

Pursuant to the New Framework Agreement, the parties shall negotiate and enter into formal agreement(s) pursuant to the major business terms, as set out under the New Framework Agreement. Subject to the entering into of the relevant formal agreement(s), one of the major business term is Jinyan Electricity, Energy Technology and GRG Huscoke intend to update the amount of the Assigned Debt from approximately RMB402,303,000 as at 30 June 2018 to approximately RMB448,087,000 as at 30 June 2019 and the GRG Huscoke shall be entitled with a conversion right to convert the indebtedness into not less 12% of the enlarged issued share capital of Energy Technology. The final conversion percentage will be subject to the valuation of Energy Technology.

The New Framework Agreement is subject to the fulfillment of certain conditions including the approval from the Stock Exchange and the approval of shareholders of the Company at a SGM.

Reference is made to the announcement of the Company dated 17 September 2020, in which it was disclosed that the Company entered into the termination agreement with GRG Huscoke, Jinyan Electricity, Xiaoyi ILNG, Mr. Yang Linhai and Mr. Wu Tangjun pursuant to which the parties agreed to terminate the Debt Assignment. The Company has entered into Merger and Acquisition Framework Agreement (the "**M&A Framework Agreement**") with GRG Huscoke and a target company, pursuant to which the Company may through direct investment and/or establishment of a merger and acquisition fund (the "**M&A Fund**") acquire and subscribe for more than 50% of the enlarged share capital of Energy Technology.

If the transactions under the M&A Framework Agreement materialises, upon completion of the transactions, the Company and/or the M&A Fund is expected to hold more than 50% of enlarged share capital in Energy Technology.

On 26 March 2021, the Group entered into a cooperation agreement with Energy Technology and Jinyan Electricity (the "**Cooperation Agreement**") pursuant to which GRG Huscoke entrusts Energy Technology for the construction of a new coking furnace which has a height of 7.1 meters with annual production capacity of at least 600,000 tons of coke at a total investment amount of approximately RMB600,000,000 (equivalent to HK$712,560,000). Energy Technology agreed to undertake the receivables and interests receivables due from Jinyan Electricity and its related parties by GRG Huscoke and GRG Huscoke agreed that Energy Technology shall settle the aforesaid construction project by these receivables.

On 15 March 2022, the Company subsequently entered into an agreement (the "**Agreement**") and a debt transfer agreement (the "**Debt Transfer Agreement**") with GRG Huscoke, Energy Technology, Jinyan Electricity and Xiaoyi ILNG to modify and supplement the terms of the Cooperation Agreement with the inclusion of remedy and compensation actions as a result of the Incident. Pursuant to the Debt Transfer Agreement, Energy Technology agrees to undertake all the receivables and interests receivables due from Jinyan Electricity and its related parties by GRG Huscoke (the "**Receivables**"). Under the circumstances that any contingent liabilities arising in the Incident have subsequently occurred and are to be recognised, Energy Technology and Jinyan Electricity will be obligated to compensate the contingent liabilities to GRG Huscoke by way of increasing GRG Huscoke's receivable due from Energy Technology in the same amount as the contingent liabilities.

Pursuant to the Agreement, Energy Technology will unconditionally transfer not less than 90% of the equity interests of Energy Jiarun, which owned two 7.1-meter top-loading coking furnaces with an aggregate annual production capacity being not less than 1,200,000 tons of coke, to the Group as the compensation of the Incident to the Company and GRG Huscoke. The potential transaction contemplated under the Cooperation Agreement and the Agreement is subject to the fulfilment of certain conditions including the approval from the Stock Exchange and the approval of shareholders of the Company at a SGM. The Company's interest in Energy Jiarun will offset the total Receivables upon the completion of the aforesaid transfer of equity interests. As such, the receivables due from the non-controlling shareholder of a subsidiary were classified as non-current assets as at 31 December 2021 as it is expected that the receivables will be settled by other non-current assets.

Since Shanxi Huscoke International Energy Co., Ltd* (山西和嘉國際能源有限公司) ("**Shanxi Huscoke**") will receive the equity interests in Energy Jiarun at the expense of offsetting the total Receivables payable to GRG Huscoke, the abovementioned transactions will incidentally result in the outstanding balance payable by the new subsidiary to GRG Huscoke in the same amount as the total Receivables.

To facilitate the Disposal and as an intergroup arrangement, on 26 July 2022, the new subsidiary and GRG Huscoke entered into an agreement (the "**Waiver Agreement**"), pursuant to which GRG Huscoke will waive the new subsidiary the outstanding balance to a remaining amount of RMB60,000,000. All the conditions precedent under the Waiver Agreement have been fulfilled and the completion of the waiver took place on 29 March 2023 in accordance with the terms and conditions of the Waiver Agreement. Accordingly, gain on such waiver was included in gain on disposal of subsidiaries for the fifteen months ended 31 March 2023.

* *For identification purpose only*

14. TRADE PAYABLES

An ageing analysis of the trade payables as at the end of the reporting year/period, based on the invoice date, is as follows:

	31 March 2024	31 March 2023
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Within 3 months	**1,715**	–
3 to 4 months	**–**	–
Over 4 months	**–**	–
	1,715	–

15. OTHER PAYABLES, ACCRUALS AND DEPOSITS RECEIVED AND DEFERRED INCOME

	31 March 2024	31 March 2023
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Other payables and accrued charges	**98,340**	59,199
Amount due to a former subsidiary	**58,123**	58,504
	156,463	117,703
Less: Current portion	**(98,340)**	(59,199)
Non-current portion	**58,123**	58,504

16. ACQUISITION OF SUBSIDIARIES/DISPOSAL OF SUBSIDIARIES

(a) Acquisition of subsidiaries

Reference is made to the announcement of the Company on 24 March 2023, in which it was disclosed that on 12 January 2023, Shanxi Huscoke and Energy Technology, entered into a shareholder agreement (the "**Shareholder Agreement**") to set out the obligations of the shareholders of Energy Jiarun, including but not limited to, that (i) all the directors of Energy Jiarun shall be solely appointed by_Shanxi Huscoke; (ii) Energy Technology is obligated to grant Energy Jiarun all the necessary licenses and permits for the operation of Energy Jiarun, including but not limited to the operating license, the administrative permit and the right of use of the land, etc.; and (iii) Energy Technology is obligated to grant Energy Jiarun the right of use of the public auxiliary facilities within the useful life of the equipment. On 7 March 2023, Energy Technology issued a confirmation letter to confirm that it will comply with terms of the Shareholder Agreement and has forfeited the rights to nominate any board member or senior management of Energy Jiarun.

On 18 January 2023, Energy Technology completed the equity transfer of 90% equity interest in Energy Jiarun to Shanxi Huscoke. The Board has confirmed the completion of the Cooperation Agreement and the Agreement by (i) appointing an independent certified public accountant in PRC to verify the accounts of Energy Jiarun; and (ii) appointing an independent lawyer in PRC to issue an independent legal opinion.

(b) Disposal of subsidiaries

On 26 July 2022, the Group and Mr. Yang Ge, the legal representative of GRG Husocke, entered into a disposal agreement, pursuant to which, among other matters, the Group conditionally agreed to sell and Mr. Yang conditionally agreed to acquire the entire equity interest of Joy Wisdom International Limited (the "**Disposal Company**"), a wholly-owned subsidiary of the Company, and the entire amount of the loan owed by the Disposal Company to the Company for a cash consideration of HK$1 (the "**Very Substantial Disposal**").

Reference is made to the announcement of the Company dated 13 April 2023, in which it was disclosed that the completion of the Very Substantial Disposal took place on 30 March 2023. Upon completion of the Very Substantial Disposal, the Disposal Company has ceased to be a subsidiary of the Group and the financial results of the Disposal Company were no longer consolidated into the financial statements of the Group.

MANAGEMENT DISCUSSION AND ANALYSIS

UNAUDITED RESULT

BUSINESS REVIEW

During the year ended 31 March 2024 (the "**Reporting Period**"), two coking furnaces of Shanxi Jinyan Energy Jiarun Co., Ltd.* (山西金岩能源嘉潤有限責任公司) ("**Energy Jiarun**"), a 90%-owned subsidiary of the Company, each with a height of 7.1 meters and an annual production capacity of at least 1.2 million tonnes of coke, were prepared for production at any moment. However, the production could not commence in this year because the public auxiliary equipment required for Energy Jiarun's operations, which was to be provided by a third party, was not yet completed. The Company consistently urged the third party to expedite the construction of the necessary public auxiliary facilities. As of the date of this announcement, the third party has actively secured the necessary construction funds, and it is anticipated that the Company's Coking Furnace Assets will be officially operational within the next financial year.

The Company expects to record the value of the free use right of the public auxiliary facilities provided by the third party once the Coking Furnace Assets are fully operational. In addition, the Company is considering converting the Coking Furnace Assets from construction in progress to fixed assets once these assets are operational, aiming to accurately reflect appraised value of the assets. The Company is anticipated that the asset value of the coking furnace will increase, combined with the value recorded for the free use right, it is expected that the asset level of the Company will be more accurately reflected after the operation in the next year. During the year, the Coking Furnace Assets were denominated in RMB, and the exchange rate of RMB against Hong Kong dollar declined, resulting in a decrease in the carrying value of the assets, which was generally attributable to foreign exchange gains and losses.

During the Reporting Period, China's economy continued to recover from the pandemic. The slowdown in economic growth, along with structural adjustments in the real estate infrastructure and other industries, affected the production and consumption of downstream industries like steel and aluminum, which directly impacted the demand and price of coke.

The upstream coal industry has undergone a phase of overcapacity and capacity adjustment. The government has encouraged the coal industry to reduce capacity and optimize the supply structure, strengthen environmental protection, and reduce carbon emissions. A series of restrictive measures and policies have been implemented to promote the development of clean energy. As clean energy advances and coal substitution is promoted, the coal market supply has been affected, leading to high coal prices.

In the current market environment, the Company's Coking Furnace Assets which boast with the high environmental protection standards, featuring an annual output of 1.2 million tons and a coking chamber height of 7.1 meters, will provide significant competitive advantages to the Company. The Chinese government has intensified its efforts to combat air pollution and reduce carbon emissions by enforcing stricter environmental protection standards and restrictive measures, alongside supply-side structural reforms in the coking industry. The phase-out of outdated coke production facilities that fail to meet environmental standards will raise the overall environmental requirements of the industry, improve the supply and demand condition, and enhance market competition, which bring competitive advantages to the Company's high-standard Coking Furnace Assets.

During the reporting period, the Company initiated a trial run of its coke processing and trading business. However, only a portion of the settlements was completed before the end of the reporting period, resulting in only partial revenue being recorded. Most of the income will be settled next year. The Company will fully review the performance and market conditions of the coke processing business before deciding whether to continue with it.

FINANCIAL REVIEW

Consolidated operating performance

Total revenue of the Group for the Reporting Period was approximately HK$2,403,000 as compared to approximately HK$34,726,000 for the fifteen months ended 31 March 2023 (the **"Previous Reporting Period"**). The gross profit for the Reporting Period amounted to approximately HK$3,000 (the Previous Reporting Period: gross loss amounted to approximately HK$90,912,000), and the Group recorded a gross profit margin of approximately 0.1% for the Reporting Period as compared to gross loss margin of approximately 261.8% in the Previous Reporting Period. Loss after tax for the Reporting Period was approximately HK$35,528,000 (the Previous Reporting Period: profit after tax was approximately HK$1,248,861,000), and loss attributable to owners of the Company amounted to approximately HK$35,521,000 (the Previous Reporting Period: profit attributable to owners of the Company amounted to approximately HK$1,250,165,000). Basic losses per share for the Reporting Period was HK$0.12, as compared to the basic profits per share of HK$4.35 in the Previous Reporting Period.

The Group is principally engaged in three business segments, namely: (i) trading of coke (the "**Coke Trading Segment**"); (ii) washing of raw coal into refined coal for sale and for further processing and the sale of electricity and heat generated as by-products produced during the washing of raw coal (the "**Coal-related Ancillary Segment**"); and (iii) processing of refined coal into coke for sale, and sale of coke by-products of coke production (the "**Coke Production Segment**").

Coke Trading Segment

During the Reporting Period, revenue from Coke Trading Segment amounted to approximately HK$2,403,000, and the Group's segment results of coke trading was approximately HK$3,000. The Group has not generate revenue and has no segment result from Coke Trading Segment in Previous Reporting Period. The revenue for the Reporting Period mainly came from part of the processing trade that the Company started before the end of the Reporting Period.

Coal-related Ancillary Segment

During the Reporting Period, the Group has not generated revenue and has no segment result from the Coal-related Ancillary Segment, as compared to that of approximately HK$34,726,000 in the Previous Reporting Period. The segment loss of Coal-related Ancillary Segment amounted to approximately HK$64,141,000 in the Previous Reporting Period. The decrease in revenue and segment loss was mainly due to the shut down of all 4.3-meter coking furnaces of the Group.

Coke Production Segment

The Group has not generated revenue from the Coke Production Segment for the Reporting Period (2023: Nil). The Group has no segment results for the Reporting Period from the coke production (2023: Nil). This was due to the shut down of all 4.3-meter coking furnaces of the Group on 15 October 2021.

Selling and Distribution Costs

The Group has not generated selling and distribution costs for the Reporting Period, as compared to that of approximately HK$1,565,000 in the Previous Reporting Period. It was because the Company did not generate revenue from Coal-related Ancillary Segment and Coke Production Segment during Reporting Period.

Administrative Expenses

The Group's administrative expenses for the Reporting Period amounted to approximately HK$27,116,000, of which GRG Huscoke accounted for approximately HK$Nil, as compared to that of the Previous Reporting Period of approximately HK$114,007,000 of which GRG Huscoke accounted for approximately HK$87,552,000. The decrease has resulted from the completion of the disposal of GRG Huscoke on 30 March 2023 whereupon its financial results had ceased to be consolidated into the financial statement of the Group and the shorter reporting period as compared to that of Previous Reporting Period.

Finance Costs

The Group's finance costs for the Reporting Period amounted to approximately HK$31,105,000, of which GRG Huscoke accounted for approximately HK$Nil, as compared to that of the Previous Reporting Period of approximately HK$157,108,000, of which GRG Huscoke accounted for approximately HK$119,096,000. The Group did not proceed any new loan during the Reporting Period. The decrease has resulted from the completion of the disposal of GRG Huscoke on 30 March 2023 whereupon its financial results had ceased to be consolidated into the financial statement of the Group and the shorter reporting period as compared to that of Previous Reporting Period.

(Loss)/profit Before Tax

The Group's loss before tax for the Reporting Period amounted to approximately HK$35,528,000, as compared to that of profit before tax for the Previous Reporting Period amounted to approximately HK$1,636,678,000. The difference was mainly attributable to (i) the gain from the increase of the net asset value amounted to approximately HK$1,693,981,000 of the Company for completing the consolidation of the Energy Jiarun (which holds the new Coking Furnace Assets) and the disposal of a subsidiary, GRG Huscoke, in the Previous Reporting Period. Details of these transactions were disclosed in the circular of the Company dated 29 September 2022; and (ii) the credit losses caused by Energy Technology failing to repay on a timely basis amounted HK$34,316,000 in the Previous Reporting Period.

CHARGES OVER ASSETS

The Group had neither pledged assets nor pledged deposit during the Reporting Period (including charges over deposits) (2023: Nil).

* *For identification purpose only*

MATERIAL INVESTMENT, ACQUISITION AND DISPOSAL, AND SIGNIFICANT INVESTMENTS

During the Reporting Period, the Group did not have any significant acquisitions or disposals of subsidiaries, associates or joint ventures and did not hold any significant investment with a value of 5% or more of the Company's total assets as at 31 March 2024.

CAPITAL STRUCTURE AND CAPITAL MANAGEMENT

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximize the shareholders' value.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the risk characteristics of underlying assets. To maintain the most optimum capital structure, the Group may adjust dividend policy, capital distribution to shareholders or issuance of new shares. No changes were made in the objectives, policies or procedures for capital management during the Reporting Period.

The Group's principal financial instruments comprise of other borrowings. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various other financial assets and liabilities such as trade receivables, prepayment, deposits and other receivables, amounts due from non-controlling shareholder, cash and bank balances, trade payables, and other payables and accruals, which arise directly from its operations.

The main risks arising from the Group's financial instruments are foreign currency risk, credit risk and liquidity risk. The Board reviews and agrees upon the various policies for managing these risks.

The Group regularly adopts gearing ratios as a tool of monitoring capital structure. The gearing ratio as of 31 March 2024 was 45% (2023: 43%).

As of 31 March 2024, the equity attributable to owners of the Company amounted to approximately HK$916,824,000 (2023: HK$1,011,367,000).

The net assets per share of the Company as at 31 March 2024 was HK$3.74 (2023: HK$4.14).

LIQUIDITY AND FINANCIAL RESOURCES

Net current liabilities and current ratio were approximately HK$326,413,000 (2023: approximately HK$226,939,000) and 0.30 (2023: 0.36) respectively as at 31 March 2024.

As at 31 March 2024, the Group's cash and bank balances amounted to approximately HK$2,448,000 (2023: approximately HK$601,000), bank and other borrowings were approximately HK$218,188,000 (2023: approximately HK$218,188,000).

As of 31 March 2023 and 2024, the Group had no bills payable.

OPERATING LEASE AND CAPITAL COMMITMENTS

As at 31 March 2023 and 2024, according to the disclosure requirements under Hong Kong Accounting Standards, the Group had no operating lease commitments.

RISK MANAGEMENT AND INTERNAL CONTROL SYSTEMS

The Board recognizes its responsibility to ensure the Company maintains a sound and effective risk management and internal control system. The Group's internal control system is designed and established to ensure that assets are safeguarded against improper use or disposal; relevant rules and regulations are adhered to and complied with; reliable financial and accounting records are maintained in accordance with relevant accounting standards and regulatory reporting requirements; and key risks that may impact the Group's performance are appropriately identified and managed. The review of the Group's internal controls covers major financial, operational and compliance controls, as well as risk management functions. The internal control system can only provide reasonable, not absolute, assurance against material misstatement or loss, as they are designed to manage, rather than eliminate the risk of failure in achieving business objectives.

The Group's risk management framework includes risk identification, risk assessment, risk treatment and monitoring and reviewing of the effectiveness of the measures. This risk management framework is guided by a three-tier risk management approach. At the first line of defense, business units are responsible for identifying, assessing and monitoring risks associated with all business or transactions. Management, as the second line of defense, defines rule sets and models, provides technical support, develops new systems and oversees portfolio management. It ensures that risks are within the acceptable range and that the first line of defense is effective. As the final line of defense, the Audit Committee, with the professional advice and opinions from external professional consultants, who conduct annual audit work for the Group, continually inspects and monitors the first and second lines of defense to ensure that they are effective.

INTEREST RATE RISK

The Group's interest rate risk mainly comprises of fair value interest risk and cash flow interest rate risk. Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate due to the changes in market interest rates. Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of the changes in market interest rates. The Group is also exposed to cash flow interest rate risk through the impact of interest rate changes on deposits. To minimize the fair value interest rate risk, the Group keeps its borrowings with a fixed rate of interest. Management monitors interest rate exposure and will consider hedging significant interest rate exposure should the need arises.

FOREIGN CURRENCY RISK

The Group's monetary assets, liabilities and transactions are principally denominated in Renminbi ("**RMB**"), United States dollars ("**USD**") and Hong Kong dollars ("**HK$**"). The Group is exposed to foreign currency risk arising from the monetary assets and liabilities that are denominated in currencies other than functional currencies of the respective group entities. The Group does not have any hedging instruments outstanding. The Group will constantly review the economic situation and its foreign currency risk profile and will consider appropriate hedging measures in the future as may be necessary.

CONTINGENT LIABILITIES

As at 31 March 2024, the Group did not have any significant contingent liabilities that have not been provided for in the financial statements (2023: Nil).

TREASURY POLICIES

The Group adopts a prudent approach with respect to treasury and funding policies, with a focus on risk management and transactions that are directly related to the underlying business of the Group.

EMPLOYEES AND REMUNERATION

For the Reporting Period, the Group's staff costs amounted to approximately HK$10,261,000, of which GRG Huscoke accounted for HK$Nil, as compared to approximately HK$38,818,000 for the Previous Reporting Period, of which GRG Huscoke accounted for approximately HK$24,233,000. The disposal of GRG Huscoke has completed on 30 March 2023 and its financial results are no longer consolidated into the financial statement of the Group. As at 31 March 2024, the Group had 15 employees with 14 employees stationed in Hong Kong. The decrease of the staff costs was attributable to the Disposal of the subsidiary GRG Huscoke at 30 March 2023. Upon the full operation of the new coking furnace asset, the labor relationship of the management and workers in Mainland China will be officially transferred to Energy Jiarun.

Employees are remunerated according to the nature of the job and market trends, performance evaluation mechanism, annual increment and year-end performance bonus measures to reward and motivate individual performance. As at the date of this announcement, the Group has no share options outstanding under the share option scheme.

PROSPECTS

Looking ahead to next year, the Company's Coking Furnace Assets will be fully operational. Concurrently, with China's economic transformation, upgrades, and green development initiatives, the demand for coke will be driven by the rise of new industries and consumer upgrades. The Company's cutting-edge clean production technology and high-quality coke will enhance competitiveness, meet the market's need for high-quality, low-pollution coke products, capitalize on supply-side structural adjustments, and showcase the Company's true value.

Additionally, the Company is actively exploring synergistic development within the industrial chain, including downstream new energy, new materials, and energy conservation and environmental protection for coking enterprises. This aims to harness sustainable development opportunities from China's green transformation and high-quality growth, ultimately delivering greater benefits to the shareholders of the Company.

CORPORATE GOVERNANCE CODE

Save and except as disclosed below, the Company has complied with the code provisions stipulated in the Corporate Governance Code (the "**CG Code**") as set out in Appendix C1 of the Listing Rules throughout the Reporting Period.

Code Provision C.2.1

Code provision C.2.1 of the CG Code stipulates that the roles of chairman and chief executive should be separate and should not be performed by the same individual. Mr. Zhao Xu Guang ("**Mr. Zhao**") is the chairman of the Board (the "**Chairman**") and also serves as chief executive officer of the Company (the "**Chief Executive Officer**"). The Board believes that, despite the deviation of the CG Code, vesting the roles of both Chairman and Chief Executive Officer in Mr. Zhao has the benefit of ensuring the consistent leadership within the Group and enabling more effective and efficient overall strategic planning of the Group. The Board considers that the balance of power and authority for the present arrangement will not be impaired and this structure will enable the Company to make and implement decisions promptly and effectively. The Board will continue to review and consider splitting the roles of Chairman and Chief Executive Officer at a time when it is appropriate and suitable by taking into account the circumstances of the Group as a whole.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix C3 of the Listing Rules (the "**Model Code**") as its own code of conduct regarding securities transaction by the Directors of the Company.

Having made specific enquiry of the Directors of the Company, all Directors of the Company confirmed that they had complied with the required standard as set out in the Model Code during the Reporting Period.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

For the Reporting Period, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the listed securities of the Company.

EVENTS AFTER THE REPORTING PERIOD

Statutory demand — Cinda

On 17 June 2024 (after trading hours), the Company received a second statutory demand from the legal representative of China Cinda (HK) Asset Management Co., Limited ("**Cinda HK**"), demanding the Company to pay (i) the outstanding principal amounted to HK$200,000,000.00; and (ii) the interest accrued up to 17 June 2024 amounted to HK$80,858,610.10 plus daily interest of HK$87,007.47 for each day thereafter, within 21 days after the service of the statutory demand, failing which a winding up petition against the Company may be presented by Cinda HK.

REVIEW OF UNAUDITED CONSOLIDATED ANNUAL RESULTS

As stated in the Company's announcement dated 25 June 2024. The auditing process for the annual financial statements for the year ended 31 March 2024 has not been completed as the auditor of the Company (the "**Auditor**") has not yet been completed the audit work on the annual results of the Company. Pursuant to Rule 13.49(3) of the Listing Rules, if the Company is unable to publish its annual results within the prescribed timeframe, it must, so far as such information is available, announce its results prepared based on the financial results which have yet to be agreed upon with the auditors. The unaudited annual results contained herein, which have not been agreed with the Auditor as required under Rule 13.49(1) and 13.49(2) of the Listing Rules, is published in order to keep the Shareholders and potential investors informed of the Group's business operation and financial position. A further announcement relating to the annual results as agreed with the Auditor and the material differences (if any) as compared with the unaudited annual results contained herein will be made when the auditing process has been completed.

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.

The unaudited annual results of the Group for the year ended 31 March 2024 have been reviewed by the audit committee (the "**Audit Committee**") of the Company. The Audit Committee comprises three independent non-executive Directors, namely, Mr. To Wing Tim, Paddy who also acts as Chairman of the Audit Committee, Mr. Lam Hoy Lee, Laurie and Dr. Wang Wei Hsin, and one non-executive Director, namely, Mr. Huang Man Yem.

PUBLICATION OF UNAUDITED ANNUAL RESULTS ANNOUNCEMENT AND 2023/24 ANNUAL REPORT ON THE WEBSITES OF THE STOCK EXCHANGE AND THE COMPANY, AND THE ANNUAL GENERAL MEETING

This unaudited annual results announcement is published on the HKExnews website of the Stock Exchange (http://www.hkexnews.hk) and the website of the Company (http://www.huscoke.com).

Following the completion of the auditing process, the Company will issue further announcement(s) in relation to (i) the audited consolidated annual results for the year ended 31 March 2024 and the material differences (if any) as compared with the unaudited consolidated annual results contained herein; (ii) the proposed final dividend of the Company for the year ended 31 March 2024 (if any); (iii) the proposed date on which the forthcoming annual general meeting of the shareholders of the Company will be held; and (iv) details of closure of register of members regarding the annual general meeting.

Pursuant to Rule 13.46(2) of the Listing Rules, the Company is required to despatch its annual report in respect of the year ended 31 March 2024 to the Shareholders not more than four (4) months after the end of the financial year of the Company (i.e. on or before 31 July 2024). Due to the delay in the publication of the annual results announcement, it is expected that there may be a possible delay in the despatch of the annual report for the financial year 2023/24. The delay in despatch of the annual report, if materialised, will constitute noncompliance with Rule 13.46(1) of the Listing Rules. The expected date of despatch of the annual report will be announced as and when appropriate.

APPRECIATION

On behalf of the Board, I would like to express my sincere appreciation to the shareholders of the Company for their continued support and sincerely thank the Directors and staffs for their dedication and diligence. I also wish to take this opportunity to express my gratitude to the Group’s business partners, customers, suppliers and bankers for their ongoing support.

The financial information of the Group for the year ended 31 March 2024 contained herein in respect of the annual results of the Group has not been audited and have not been agreed with the Auditor.

Shareholders and potential investors of the Company should exercise caution when dealing in the securities of the Company.

By Order of the Board
Huscoke Holdings Limited
Zhao Xu Guang
Chairman and Chief Executive Officer

Hong Kong, 28 June 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.