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**LOCO HONG KONG HOLDINGS LIMITED**

**港銀控股有限公司**

*(incorporated in Hong Kong with limited liability)*

**(Stock Code: 8162)**

**FIRST QUARTERLY RESULTS  
FOR THE THREE MONTHS ENDED 31 MARCH 2020**

**CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)**

**GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.**

**Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.**

*This announcement, for which the directors (the “**Directors**” or individually a “**Director**”) of Loco Hong Kong Holdings Limited (the “**Company**”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the GEM of the Stock Exchange (the “**GEM Listing Rules**”) for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.*

*This announcement shall remain on the “Latest Company Announcements” page of the GEM website at [www.hkgem.com](http://www.hkgem.com) for at least seven days from the date of its posting and on the Company’s website at [www.locohkholdings.com](http://www.locohkholdings.com).*

# CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

		<b>Unaudited</b>	
		<b>Three months ended</b>	
		<b>31 March</b>	
			(restated)
		<b>2020</b>	2019
	<i>Note</i>	<b>HK\$'000</b>	<b>HK\$'000</b>
<b>Revenue</b>			
– Sales of metal		–	105,178
– Education management services		<b>612</b>	–
– Interest income from customers and suppliers		<b>9</b>	2,475
– Order commission		–	10
– Processing fee		–	180
		-----	-----
Total revenue		<b>621</b>	107,843
Trading losses on commodity forward contracts		<b>(22)</b>	(710)
Other income		<b>48</b>	126
		-----	-----
		<b>647</b>	107,259
Carrying value of inventories sold		–	(105,452)
Change in fair value of commodity inventory		<b>(12)</b>	–
Depreciation of property, plant and equipment		<b>(310)</b>	(293)
Depreciation of right-of-use assets		<b>(587)</b>	(587)
Employee costs		<b>(4,995)</b>	(5,845)
Rental expenses		–	(195)
Loss on disposal of property, plant and equipment		–	(13)
Other operating expenses		<b>(1,919)</b>	(5,213)
Reversal of provision on loss allowance on trade and other receivable		<b>307</b>	–
Share of profit of associates		<b>38</b>	–
Finance costs	3	<b>(19)</b>	(337)
		-----	-----
Loss before income tax expense		<b>(6,850)</b>	(10,676)
Income tax expense	4	<b>(15)</b>	–
		-----	-----
<b>Loss for the period</b>		<b>(6,865)</b>	(10,676)
		-----	-----
<b>Loss for the period attributable to:</b>			
– Owners of the Company		<b>(7,017)</b>	(10,676)
– Non-controlling interests		<b>152</b>	–
		-----	-----
		<b>(6,865)</b>	(10,676)
		-----	-----

		<b>Unaudited</b>	
		<b>Three months ended</b>	
		<b>31 March</b>	
		(restated)	
		<b>2020</b>	2019
<i>Note</i>		<b><i>HK\$'000</i></b>	<b><i>HK\$'000</i></b>
	<b>Loss for the period</b>	<b>(6,865)</b>	(10,676)
	<b>Other comprehensive (loss)/income</b>		
	Item that may be reclassified subsequently to profit or loss:		
	Exchange differences on translating foreign operations	<u>(655)</u>	<u>174</u>
	<b>Total comprehensive loss for the period</b>	<b><u>(7,520)</u></b>	<b><u>(10,502)</u></b>
	<b>Total comprehensive loss for the period attributable to:</b>		
	– Owners of the Company	(7,358)	(10,502)
	– Non-controlling interests	<u>(162)</u>	<u>–</u>
		<b><u>(7,520)</u></b>	<b><u>(10,502)</u></b>
		<b><i>HK cents</i></b>	<b><i>HK cents</i></b>
	Basic and diluted loss per share	<u>(1.22)</u>	<u>(2.07)</u>
		<i>6</i>	

# CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Unaudited						Equity	Non-	Total
	Share	Merger	Share	Statutory	Exchange	Accumulated	attributable	controlling	
	capital	reserve	option	reserve	reserve	Losses	of the	interests	equity
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	Company	HK\$'000	HK\$'000
As at 31 December 2018 (originally stated)	122,898	(1,357)	380	-	(183)	(39,284)	82,454	-	82,454
Effect of adoption of HKFRS 16	-	-	-	-	-	(24)	(24)	-	(24)
<b>At 1 January 2019 (restated)</b>	<b>122,898</b>	<b>(1,357)</b>	<b>380</b>	<b>-</b>	<b>(183)</b>	<b>(39,308)</b>	<b>82,430</b>	<b>-</b>	<b>82,430</b>
Loss for the period	-	-	-	-	-	(10,676)	(10,676)	-	(10,676)
Other comprehensive income:									
Exchange differences on									
translating foreign operations	-	-	-	-	174	-	174	-	174
Total comprehensive loss for the period	-	-	-	-	174	(10,676)	(10,502)	-	(10,502)
Issue of placing shares	23,136	-	-	-	-	-	23,136	-	23,136
Transaction costs attributable to									
issue of placing shares	(1,554)	-	-	-	-	-	(1,554)	-	(1,554)
Forfeited share options	-	-	(3)	-	-	3	-	-	-
<b>At 31 March 2019</b>	<b>144,480</b>	<b>(1,357)</b>	<b>377</b>	<b>-</b>	<b>(9)</b>	<b>(49,981)</b>	<b>93,510</b>	<b>-</b>	<b>93,510</b>
<b>At 1 January 2020</b>	<b>144,480</b>	<b>(1,357)</b>	<b>4,135</b>	<b>-</b>	<b>(16)</b>	<b>(73,127)</b>	<b>74,115</b>	<b>8,893</b>	<b>83,008</b>
Loss for the period	-	-	-	-	-	(7,017)	(7,017)	152	(6,865)
Other comprehensive loss:									
Exchange differences on									
translating foreign operations	-	-	-	-	(341)	-	(341)	(314)	(655)
Total comprehensive loss for the period	-	-	-	-	(341)	(7,017)	(7,358)	(162)	(7,520)
Capital injection by non-controlling interest	-	-	-	-	-	-	-	492	-
Transfer of statutory reserve	-	-	-	1,643	-	(1,643)	-	-	-
Recognition of equity-settled									
share-based payments	-	-	996	-	-	-	996	-	996
<b>At 31 March 2020</b>	<b>144,480</b>	<b>(1,357)</b>	<b>5,131</b>	<b>1,643</b>	<b>(357)</b>	<b>(81,787)</b>	<b>67,753</b>	<b>9,223</b>	<b>76,976</b>

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 1. GENERAL INFORMATION

Loco Hong Kong Holdings Limited (the “**Company**”) is a limited liability company incorporated in Hong Kong and its shares are listed on the GEM of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) with effect from 5 August 2014. The addresses of the registered office and principal place of business are Unit 401, 4/F., Fairmont House, 8 Cotton Tree Drive, Admiralty, Hong Kong.

The Company is an investment holding company. The Company and its subsidiaries (collectively the “**Group**”) is principally engaged in trading of metal and commodity forward contracts, provision of education management services and provision of money lending services, which are conducted in Hong Kong and mainland of the People’s Republic of China (the “**PRC Mainland**”).

The unaudited condensed consolidated financial statements of the Group for the three months ended 31 March 2020 are presented in thousands of units of Hong Kong dollars (“**HK\$’000**”), unless otherwise stated. The unaudited financial statements were approved and authorised for issue by the board of Directors (the “**Board**”) on 14 May 2020.

## 2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

These unaudited condensed consolidated financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards and Interpretations (hereinafter collectively referred to as the “**HKFRSs**”) issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”) and the applicable disclosure provisions of the GEM Listing Rules.

These unaudited condensed consolidated financial statements do not include all the information and disclosures required in a full set of financial statements prepared in accordance with HKFRSs, and should be read in conjunction with the Group’s annual financial statements for the year ended 31 December 2019 (the “**2019 annual financial statements**”).

These unaudited condensed consolidated financial statements have been prepared with the same accounting policies adopted in the 2019 annual financial statements, except for those that relate to new or revised HKFRSs effective for the first time for periods beginning on or after 1 January 2020. The adoption of these new or revised HKFRSs has had no material effect on the amounts reported and/or disclosures set out in these condensed consolidated financial statements. The Group has not early adopted any other new or revised HKFRSs that has been issued but is not yet effective.

These condensed consolidated financial statements have not been audited but have been reviewed by the audit committee of the Company (the “**Audit Committee**”).

### 3. FINANCE COSTS

	<b>Unaudited</b>	
	<b>Three months ended</b>	
	<b>31 March</b>	
		(restated)
	<b>2020</b>	2019
	<b>HK\$'000</b>	<b>HK\$'000</b>
Interests on bank loans and other borrowing	–	30
Interest on loan from a related company	–	273
Interest expenses on lease liabilities	<u>19</u>	<u>34</u>
	<u><b>19</b></u>	<u><b>337</b></u>

### 4. INCOME TAX EXPENSE

The amount of the income tax expense represents the following:

	<b>Unaudited</b>	
	<b>Three months ended</b>	
	<b>31 March</b>	
	<b>2020</b>	2019
	<b>HK\$'000</b>	<b>HK\$'000</b>
Current tax	<u>15</u>	<u>–</u>

Hong Kong profits tax is calculated at 16.5% (2019: 16.5%) on the estimated assessable profit for the period. No provision for Hong Kong profits tax has been made in the condensed consolidated financial statements as the Group incurred tax losses for the period.

Subsidiaries in the PRC Mainland are subject to PRC Mainland Enterprise Income tax at 25% (2019: 25%) on estimated assessable profit for the period.

### 5. DIVIDENDS

The Board does not recommend the payment of any dividend of the Company for the three months ended 31 March 2020 (2019: nil).

## 6. LOSS PER SHARE

The calculation of basic and diluted loss per share attributable to the owners of the Company is based on the following data:

	<b>Unaudited</b>	
	<b>Three months ended</b>	
	<b>31 March</b>	
		(restated)
	<b>2020</b>	2019
	<b>HK\$'000</b>	HK\$'000
Loss for the purpose of basic loss per share	<u><u>(7,017)</u></u>	<u><u>(10,676)</u></u>
<b>Number of shares</b>		
Weighted average number of ordinary shares for the purpose of basic loss per share	<u><u>576,170,000</u></u>	<u><u>516,436,667</u></u>

For the three months ended 31 March 2019, the computation of diluted loss per share does not assume the exercise of the Company's outstanding share options since their exercise price is higher than the average market price of the shares of the Company for the period.

For the three months ended 31 March 2020, the computation of diluted loss per share does not assume the exercise of the Company's outstanding share options which were granted during the year ended 31 December 2015 since their exercise price is higher than the average market price of the Company's share for the year. In addition, it does not assume the effect of Company's outstanding share options which were granted during the year ended 31 December 2019 as they have anti-dilutive effect on the loss per share calculation.

# MANAGEMENT DISCUSSION AND ANALYSIS

## **Business Review**

The Group is principally engaged in trading of metal in Hong Kong accompanied with trading of commodity forward contracts for hedging purpose. Besides, the Group is also engaged in provision of education management services and provision of money lending services, which are conducted in Hong Kong and the PRC Mainland.

### ***Sales of metal***

During the three months ended 31 March 2020 (“**2020Q1**” or “**Current Period**”), no income was generated in 2020Q1 compared to the three months ended 31 March 2019 (“**2019Q1**” or “**Previous Corresponding Period**”). Consistent to Previous Corresponding Period, the competition in the trading of silver scrap (non-standard) products remained fierce and hence affecting low level of trading volume during the Current Period. Besides, the price trend in the precious metal particularly in gold has increased significantly during the Current Period, (gold/silver price ratio widened from 90 to 110 times), partly attributable to the negative outlook from the unfavourable economic impact caused by the suspension in economic activities as a result of the outbreak of the COVID-19 globally commencing from January 2020 as well as the ongoing uncertainty induced by the Sino-US trade disputes over last two years. In view of the volatile pricing trend in the precious metal market, the Group perceived the business risk in this division remains volatile yet the Group will still continue to explore for further opportunities in trading in other metal products accordingly. Though the performance of this business division will not be optimistic in the coming quarter, it was believed that there may be improvement in the market condition when the impact of the outbreak of the COVID-19 becomes more controllable and relieved.

### ***Provision of education management services***

During the period 2020Q1, the performance of the provision of education management services division was significantly affected due to the global outbreak in COVID-19. As a result of such outbreak, the operation of the educational management services was also affected because of the postponement of commencement of school term in schools and training organisations in the mainland of the People’s Republic of China (the “**PRC Mainland**”) since around the mid-January 2020, for which is the main region this business division was operating in. Precise timing of resumption of school term is pending for further notice by the governmental department. We believed that schools, training organisations will resume for lectures and courses by stages as soon as the impact of COVID-19 to be under controlled by the PRC Government. Comparing to the Previous Corresponding Period, there was increase in revenue generated by this division for approximately HK\$612,000 (2019: Nil) because this business division was not commenced for business in the Previous Corresponding Period.



### ***Provision of money lending services***

During the period 2020Q1, the credit environment in the money advance market has been worsened by the impact of the global outbreak of the COVID-19 because of the general suspension in economic activities and the measures adopted for social distancing in general. Inevitably, the domestic market was also worse off and hence the credit risk in the money lending services was perceived to be higher. With reference to the prudent approach adopted by the Group in operating the money lending services division, the Group strictly adhered to credit assessment and review policies by timely assessing existing and potential clients' credit profile with reference to the then market condition and their respective background. Hence, the Group continued to adopt a secured and prudent approach in selecting qualified credit applicants for potential business opportunities. Meanwhile, there was significant decrease in revenue for this business division for the Current Period as compared to the Previous Period accordingly.

### **Outlook**

In general, 2020 was certainly commenced in a very challenging manner. With the background of the ongoing Sino-US trade disputes rocked up and down during the last two years, reinforced by the sudden chaotic outbreak of the COVID-19 in 2020, the uncertainties in business environment and restriction in people flow and logistics in business activities substantially affected the struggling global economy and also caused increased number of domestic and international enterprises facing survival concern. Nevertheless, to accomplish the objectives in business risks mitigation as well as securing the return and value of the Group in general, the Group will continue to strive for balance in further development on existing business model whereas securing the return and value of the shareholders of the Company as a whole in exploring new business opportunities.

## Financial Review

For the three months ended 31 March 2020, the Group had a total income of approximately HK\$647,000 (2019: total income of approximately HK\$107.3 million), representing a decrease of approximately 99.4% as compared with 2019. For the three months ended 31 March 2020, the Group recorded a loss of approximately HK\$6.9 million (2019: approximately HK\$10.7 million), representing a decrease of approximately 35.8% as compared with 2019. The decrease in loss was mainly attributable to net effect of:

- (i) a significant decrease in the Group's total income of approximately 99.3% as discussed above;
- (ii) for the three months ended 31 March 2020, the carrying value of inventories sold was recognized at zero (2019: approximately HK\$105.5 million) due to the fact that no sales of metal was conducted;
- (iii) a decrease in employee costs of approximately HK\$0.9 million, mainly due to a significant decrease in the employee costs of the sales of metal segment, partially offset by an increase in equity-settled share-based payments expenses and an increase in the employee costs of the education management services segment; and
- (iv) a decrease in other operating expenses of approximately HK\$3.3 million, mainly due to the fact that no metal sales was conducted during the period.

For three months ended 31 March 2020, the Group's loss attributable to owners of the Company was approximately HK\$7.0 million, as compared to the loss attributable to owners of the Company of approximately HK\$10.7 million for 2019.

## DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 31 March 2020, the interests and short positions of the Directors and the chief executives of the Company in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")), as recorded in the register required to be kept by the Company under section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to Rule 5.46 of the GEM Listing Rules, were as follows:

### Long Positions

#### (a) Ordinary shares and underlying ordinary shares of the Company

Name of Directors/ chief executives	Nature of interests	Number of ordinary shares held	Number of underlying ordinary shares of the Company held <i>(Note 1)</i>	Total	Approximate percentage of shareholding <i>(Note 2)</i>
<b>Executive Directors:</b>					
Mr. Wang Wendong	Beneficial Owner	–	5,700,000	5,700,000	0.99%
Mr. Fung Chi Kin	Beneficial Owner	–	5,700,000	5,700,000	0.99%
<b>Independent Non-Executive Directors:</b>					
Mr. Lau Yuen Sun Adrian <i>(Note 3)</i>	Beneficial Owner	–	570,000	570,000	0.10%
Ms. Wong Susan Chui San	Beneficial Owner	–	570,000	570,000	0.10%
Mr. Zhou Tianshu	Beneficial Owner	–	570,000	570,000	0.10%
Ms. Wu Liyan	Beneficial Owner	–	570,000	570,000	0.10%

*Note 1:* These are share options granted by the Company to the Directors under the Scheme on 27 August 2019. The particulars of the Directors' interests in share options are set out in part (b) below.

*Note 2:* The approximate percentage of shareholding was calculated based on the total number of ordinary shares in issue, being 576,170,000 shares as at 31 March 2020.

*Note 3:* Mr. Lau Yuen Sun Adrian resigned as independent non-executive Director of the Company, effective from 6 May 2020.

**(b) Interests in share options relating to ordinary shares of the Company**

Name of Directors	Date of grant	Exercise price per share HK\$	Exercise period	Number of share options and underlying shares					Outstanding as at 31.3.2020
				Outstanding as at 1.1.2020	Granted	Exercised	Cancelled	Lapsed	
Mr. Wang Wendong	27.8.2019	0.616	27.8.2019 – 26.8.2022 (Note 1)	5,700,000	–	–	–	–	5,700,000
Mr. Fung Chi Kin	27.8.2019	0.616	27.8.2019 – 26.8.2022 (Note 1)	5,700,000	–	–	–	–	5,700,000
Mr. Lau Yuen Sun Adrian (Note 2)	27.8.2019	0.616	27.8.2019 – 26.8.2022 (Note 1)	570,000	–	–	–	–	570,000
Ms. Wong Susan Chui San	27.8.2019	0.616	27.8.2019 – 26.8.2022 (Note 1)	570,000	–	–	–	–	570,000
Mr. Zhou Tianshu	27.8.2019	0.616	27.8.2019 – 26.8.2022 (Note 1)	570,000	–	–	–	–	570,000
Ms. Wu Liyan	27.8.2019	0.616	27.8.2019 – 26.8.2022 (Note 1)	570,000	–	–	–	–	570,000
				-----	-----	-----	-----	-----	-----
				<u>13,680,000</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>13,680,000</u>

*Note 1:* The share options granted will vest to the Directors at the date of grant (i.e. 27 August 2019), the first and second anniversary of the date of grant (i.e. 27 August 2020 and 27 August 2021, respectively) at an average amount, the share options once vested shall be exercisable on a cumulative basis.

*Note 2:* Mr. Lau Yuen Sun Adrian resigned as independent non-executive Director of the Company, effective from 6 May 2020.

## Short Positions

As at 31 March 2020, no short positions of Directors and chief executives in the shares of the Company and its associated corporations were recorded in the register or as otherwise notified to the Company and the Stock Exchange pursuant to Rule 5.46 of the GEM Listing Rule.

## SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 31 March 2020, the following persons/entities (other than the Directors and chief executives of the Company as disclosed above) have interest or short positions in the shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company pursuant to section 336 of the SFO were as follows:

Name	Nature of interests	Number of ordinary shares held	Approximate percentage of shareholding (Note)
Hon Pok	Beneficial owner	76,000,000	13.19%
Chu Fong	Beneficial owner	46,000,000	7.98%
Lin Chenchen	Beneficial owner	45,000,000	7.81%
Ho Mun Jing	Beneficial owner	29,730,000	5.16%

*Note:* The approximate percentage of shareholding was calculated based on the total number of ordinary shares in issue, being 576,170,000 shares as at 31 March 2020.

Save as disclosed above, no other interests or short positions of any persons/entities (other than the Directors and the chief executives of the Company) in the shares or underlying shares of the Company were recorded in the register or as otherwise notified to the Company and the Stock Exchange as at 31 March 2020.

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

During the three months ended 31 March 2020, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

## **COMPETITION AND CONFLICT OF INTEREST**

To the best knowledge of the Directors, none of the Directors, management, shareholders or substantial shareholders of the Company or any of its respective associates has engaged in any business that competes or may compete, either directly or indirectly, with the businesses of the Group, as defined in the GEM Listing Rules, or has any other conflict of interests with the Group during the three months ended 31 March 2020.

## **CORPORATE GOVERNANCE**

### **Code on Corporate Governance Practices**

During the three months ended 31 March 2020, to the best knowledge of the Board, the Company has complied with the code provisions set out in the Corporate Governance Code and Corporate Governance Report contained in Appendix 15 of the GEM Listing Rules (the "**Code Provisions**"), save for the deviation from A.2.1 of the Code Provisions as explained below.

A.2.1 of the Code Provisions stipulates that the roles of chairman and chief executive officer should be separated. Mr. Wang Wendong currently holds both positions. Since Mr. Wang Wendong joined the Company in May 2018, he has held the key leadership position of the Group and has been involved in the formulation of corporate strategies and management of business and operations of the Group gradually. Taking into account the consistent leadership within the Group and in order to enable more effective and efficient overall strategic planning and continuation of the implementation of such plans, the Directors (including independent non-executive Directors) consider that Mr. Wang Wendong is the best candidate for both positions and the present arrangements are beneficial and in the interests of the Group and the shareholders as a whole.

### **Code of Conduct Regarding Securities Transactions by Directors**

The Company has adopted a code of conduct regarding securities transactions carried out by Directors, that is not laxer than relevant standards of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules. Having made specific enquiries to all Directors, they confirmed they have complied with the standards of dealings and the code of conduct regarding securities transactions carried out by Directors, adopted by the Company throughout the three months ended 31 March 2020.

## **Audit Committee**

The Company established the Audit Committee on 22 July 2014 with written terms of reference that was amended and adopted with effect from 2 January 2019 in compliance with C.3 of the Code Provisions. The duties of the Audit Committee include reviewing, in draft form, our annual report and accounts, half-yearly report and quarterly report and providing advice and comments to the Board. In this regard, members of the Audit Committee will liaise with the Board, our senior management and auditors. The Audit Committee will also consider any significant or usual items that are, or may need to be, reflected in such reports and accounts and give consideration to any matters that have been raised by our accounting staff, compliance officers or auditors. Members of the Audit Committee are also responsible for reviewing our Company's financial reporting system, risk management and internal control systems.

As at the date of this announcement, the Audit Committee comprises three independent non-executive Directors, namely Mr. Zhou Tianshu (Chairman), Ms. Wong Susan Chui San and Ms. Wu Liyan.

The Audit Committee has reviewed this quarterly announcement, including the unaudited condensed consolidated financial statements of the Group for the three months ended 31 March 2020, prior to recommending them to the Board for approval.

By order of the Board  
**Loco Hong Kong Holdings Limited**  
**Wang Wendong**  
*Chairman and Chief Executive Officer*

Hong Kong, 14 May 2020

*As at the date of this announcement, the executive Directors are Mr. Wang Wendong and Mr. Fung Chi Kin; and the independent non-executive Directors are Mr. Zhou Tianshu, Ms. Wong Susan Chui San and Ms. Wu Liyan.*