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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)**

## **PROFIT WARNING**

This announcement is made by Loco Hong Kong Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 17.10 of the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (the “**GEM Listing Rules**”) and the Inside Information Provisions (as defined under the GEM Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong).

The board (the “**Board**”) of directors (the “**Directors**”) of the Company would like to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that, based on a preliminary assessment of the Group’s unaudited consolidated management accounts for the six months ended 30 June 2020 (the “**Current Period**”), the Group is currently expected to record an increase in unaudited loss for the Current Period of approximately 6% as compared to that for the six months ended 30 June 2019 (the “**Previous Period**”). However, based on a preliminary assessment of the Group’s unaudited consolidated management accounts for the three months ended 30 June 2020 (the “**2020Q2**”), it is currently expected to record an increase of unaudited loss for approximately 70% as compared to the three months ended 30 June 2019. (the “**2019Q2**”).

The expected increase in the unaudited loss for 2020Q2 was mainly attributable to (i) increase in fair value losses on investments in unlisted equity securities of approximately HK\$2.5 million; (ii) increase in provision of loss allowance on loan receivables of approximately HK\$1.4 million and (iii) decrease in interest income from customers and suppliers of approximately HK\$2.3 million. However, the increase the unaudited loss for 2020Q2 was partially offset by the decrease in trading losses on commodity forward contracts of approximately HK\$1.9 million.

As the Company is still in the process of finalising its results of the Group for the Current Period, the information contained in this announcement is only based on the preliminary assessment by the Company's management according to the unaudited consolidated management accounts of the Group, which have not been reviewed or audited by the auditors of the Company or by the audit committee of the Company. Shareholders and potential investors are advised to read carefully the Group's results announcement for the Current Period, which is expected to be published on or around 11 August 2020.

**Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.**

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

Hong Kong, 3 August 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. Wu Liyan and Ms. Wong Susan Chui San.*

*This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with 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 will remain on the "Latest Company Announcements" page of the GEM website at [www.hkgem.com](http://www.hkgem.com) for at least 7 days from the date of its publication and will be available on the Company's website at [www.locohkholdings.com](http://www.locohkholdings.com).*