Loco Hong Kong Holdings Limited
港銀控股有限公司
(incorporated in Hong Kong with limited liability)
(Stock Code: 8162)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2026

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**", and together with its subsidiaries, the "**Group**", "**we**", "**our**" or "**us**") collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on 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 will remain on the "Latest Listed Company Information" page of the Stock Exchange's website at www.hkexnews.hk for at least seven days from the date of its posting and will be available on the Company's website at www.locohkholdings.com.

The board of Directors (the "**Board**") of the Company presents the unaudited condensed consolidated interim financial statements of the Group for the six months ended 30 June 2026, together with the comparative unaudited figures for the corresponding periods in 2025, as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		Unaudited	
		Six months ended 30 June	
		2026	2025
	Notes	***HK$'000***	*HK$'000*
Revenue			
– Sales of metal		**10,260,068**	10,150,481
– Education management services		**15,040**	15,591
		10,275,108	10,166,072
Other income		**8,206**	3,396
		10,283,314	10,169,468
Carrying value of inventories sold		**(10,236,460)**	(10,127,352)
Change in fair value of commodity inventory		**(78)**	47
Depreciation of property, plant and equipment		**(2,102)**	(699)
Depreciation of right-of-use assets		**(1,069)**	(1,316)
Employee costs		**(6,295)**	(6,215)
Other operating expenses		**(4,823)**	(7,114)
Provision of loss allowance on trade and other receivable		**(248)**	(1,270)
Rental expenses		**(998)**	(689)
Finance costs	*5*	**(1,655)**	(131)
Profit before income tax expense		**29,586**	24,729
Income tax expense	*6*	**(7,498)**	(7,351)
Profit for the period		**22,088**	17,378

		Unaudited	
		Six months ended 30 June	
		2026	2025
	Notes	***HK$'000***	*HK$'000*
Profit for the period		**22,088**	17,378
Other comprehensive income			
Item that may be reclassified subsequently to profit or loss:			
Exchange differences on translating foreign operations		**3,059**	2,150
Total comprehensive income for the period		**25,147**	19,528
		HK cents	*HK cents*
Basic and diluted earning per share	*8*	**2.22**	1.78

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	Unaudited 30 June 2026 HK$'000	Audited 31 December 2025 HK$'000
Non-current assets			
Property, plant and equipment		**14,403**	16,536
Right-of-use assets		**1,268**	2,289
		15,671	18,825
Current assets			
Inventories		**478**	556
Trade and other receivables and prepayments	*9*	**659,395**	330,743
Pledged time deposits		**–**	360,390
Cash and cash equivalents		**123,519**	64,638
		783,392	756,327
Current liabilities			
Trade and other payables and accruals	*10*	**528,205**	505,779
Derivative financial instruments		**–**	27,077
Tax payable		**22,752**	18,762
Lease liabilities		**1,253**	1,870
		552,210	553,488
Net current assets		**231,182**	202,839
Total assets less current liabilities		**246,853**	221,664

	Unaudited 30 June 2026 *HK$'000*	Audited 31 December 2025 *HK$'000*
Non-current liabilities		
Deferred tax liabilities	**3,848**	3,291
Lease liabilities	**277**	792
	4,125	4,083
Net assets	**242,728**	217,581
Capital and reserves		
Share capital	**267,171**	267,171
Reserves	**(24,443)**	(49,590)
Total equity attributable to the owners of the Company	**242,728**	217,581

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Unaudited						
	Share capital *HK$'000*	Merger reserve *HK$'000*	Equity-settled share-based payment reserve *HK$'000*	Statutory reserve *HK$'000*	Translation reserve *HK$'000*	Accumulated losses *HK$'000*	Total equity *HK$'000*
At 1 January 2025	188,348	(1,357)	89	6,561	(2,626)	(120,640)	70,375
Profit for the period	–	–	–	–	–	17,378	17,378
Other comprehensive income:							
Exchange differences on translating foreign operations	–	–	–	–	2,150	–	2,150
Total comprehensive income for the period	–	–	–	–	2,150	17,378	19,528
Issue of new shares by way of placements	79,623	–	–	–	–	–	79,623
Transaction costs attributable to issue of share	(800)	–	–	–	–	–	(800)
At 30 June 2025	267,171	(1,357)	89	6,561	(476)	(103,262)	168,726
At 1 January 2026	**267,171**	**(1,357)**	**–**	**6,692**	**843**	**(55,768)**	**217,581**
Profit for the period	**–**	**–**	**–**	**–**	**–**	**22,088**	**22,088**
Other comprehensive income:							
Exchange differences on translating foreign operations	**–**	**–**	**–**	**–**	**3,059**	**–**	**3,059**
Total comprehensive income for the period	**–**	**–**	**–**	**–**	**3,059**	**22,088**	**25,147**
At 30 June 2026	**267,171**	**(1,357)**	**–**	**6,692**	**3,902**	**(33,680)**	**242,728**

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Unaudited	
	Six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
Cash flows from operating activities		
Profit before income tax	**29,586**	24,729
Adjustments for:		
Change in fair value of commodity inventories	**78**	(47)
Depreciation of property, plant and equipment	**2,102**	699
Depreciation of right-of-use assets	**1,069**	1,316
Interest income	**(1,249)**	(799)
Interest expenses	**1,655**	131
Provision of loss allowance on trade and other receivables	**248**	1,270
Fair value changes of derivative financial instruments	**(27,077)**	–
Operating cash flows before changes in working capital	**6,412**	27,299
Increase in trade and other receivables and prepayments	**(334,588)**	(1,868,263)
Increase in trade and other payables and accruals	**30,124**	2,134,503
Decrease in contract liabilities	**–**	(28,249)
Cash (used in)/generated from operations	**(298,052)**	265,290
Income taxes paid	**(2,951)**	(4,195)
Net cash (used in)/generated from operating activities	**(301,003)**	261,095

	Unaudited	
	Six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
Cash flows from investing activities		
Interest received	**9,273**	793
Purchases of property, plant and equipment	**–**	(37)
Decrease in pledged time deposits	**360,390**	–
Net cash generated from investing activities	**369,663**	756
Cash flows from financing activities		
Proceeds from issue of new shares by way of placement	**–**	79,623
Issuance cost attributable to issue of placing shares	**–**	(800)
Repayment of borrowings, net	**–**	(26,052)
Interest paid	**(8,717)**	–
Interest element of lease payment paid	**(43)**	(93)
Repayments of capital element of lease payment	**(1,199)**	(1,363)
Net cash (used in)/generated from financing activities	**(9,959)**	51,315
Net increase in cash and cash equivalents	**58,701**	313,166
Cash and cash equivalents at beginning of the period	**64,638**	21,263
Effect of foreign exchange rate changes	**180**	(495)
Cash and cash equivalents at end of the period	**123,519**	333,934

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. Its shares are listed on GEM of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"). The address of its registered office and principal place of business is 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**") are principally engaged in metal business, education management services business and money lending services business.

The unaudited condensed consolidated interim financial statements of the Group for the six months ended 30 June 2026 are presented in thousands of units of Hong Kong dollars ("**HK$'000**"), unless otherwise stated. These unaudited condensed consolidated interim financial statements were approved and authorised for issue by the Directors on 12 August 2026.

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

These unaudited condensed consolidated interim financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting" ("**HKAS 34**") issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**") and the applicable disclosure provisions of the GEM Listing Rules.

The preparations of these unaudited condensed consolidated interim financial statements in compliance with HKAS 34 requires the use of certain judgements, estimates and assumptions that affect the application of policies and the reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

These unaudited condensed consolidated interim financial statements do not include all the information and disclosures required in a full set of financial statements prepared in accordance with Hong Kong Financial Reporting Standards ("**HKFRSs**"), and should be read in conjunction with the Group's annual financial statements for the year ended 31 December 2025 (the "**2025 annual financial statements**").

These unaudited condensed consolidated interim financial statements have been prepared with the same accounting policies adopted in the 2025 annual financial statements, except for those that relate to new standards or interpretations effective for the first time for periods beginning on or after 1 January 2026. The adoption of these new or revised HKFRSs has had no material effect on the amounts reported and/or disclosures set out in these unaudited condensed consolidated interim financial statements. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

These unaudited condensed consolidated interim financial statements have not been audited, but have been reviewed by the audit committee of the Company (the "**Audit Committee**").

The financial information relating to the year ended 31 December 2025 included in these unaudited condensed consolidated interim financial statements as comparative information does not constitute the Company's statutory annual consolidated financial statements for that financial year but is derived from those financial statements. Further information relating to these statutory financial statements required to be disclosed in accordance with section 436 of the Hong Kong Companies Ordinance is as follows:

- The Company has delivered the financial statements for the year ended 31 December 2025 to the Registrar of Companies in accordance with section 662(3) of, and Part 3 of Schedule 6 to, the Hong Kong Companies Ordinance.

- The Company's auditor has reported on the financial statements for the year ended 31 December 2025. The auditor's report was unqualified; did not include a reference to any matter to which the auditor drew attention by way of emphasis without qualifying its report; and did not contain a statement under section 406(2), 407(2) or (3) of the Hong Kong Companies Ordinance.

3. USE OF JUDGEMENTS AND ESTIMATES

In preparing this unaudited condensed consolidated interim financial statements, the significant judgements made by the management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to 2025 annual financial statements.

4. SEGMENT INFORMATION

The Group determines its operating segments based on the reports reviewed by the executive directors of the Company, who are the chief operating decision-maker that are used to make strategic decision. The Group manages its business by divisions, which are organised by business lines.

The segments are managed separately as each business offers different products and requires different business strategies. The following summary describes the operations in each of the Group's reportable segments:

- Metal business – Sales of metal.

- Education management services – Provision of education management services.

- Money lending services – Provision of money lending services.

(a) Segment results, assets and liabilities

	Unaudited			
	Metal Business	**Education management services**	**Money lending services**	**Total**
	HK$'000	***HK$'000***	***HK$'000***	***HK$'000***
Six months ended 30 June 2026				
Reportable segment revenue *(note (i))*	**10,260,068**	**15,040**	**–**	**10,275,108**
Reportable segment profit/(loss)	**27,229**	**11,472**	**(74)**	**38,627**
As at 30 June 2026				
Reportable segment assets	**687,095**	**108,930**	**1**	**796,026**
Reportable segment liabilities	**544,041**	**6,760**	**–**	**550,801**

	Unaudited			
	Metal Business	Education management services	Money lending services	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Six months ended 30 June 2025				
Reportable segment revenue *(note (i))*	10,150,481	15,591	–	10,166,072
Reportable segment profit/(loss)	22,325	12,249	(75)	34,499
As at 31 December 2025 (Audited)				
Reportable segment assets	673,403	97,890	62	771,355
Reportable segment liabilities	543,920	7,868	68	551,856

Note:

(i) There is no inter-segment revenue for the period.

(b) Reconciliation of reportable segment results

	Unaudited	
	Six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
Reportable segment profit	**38,627**	34,499
Depreciation of property, plant and equipment	**–**	(2)
Depreciation of right-of-use assets	**(577)**	(577)
Interest expenses	**(6)**	(21)
Employee costs	**(4,737)**	(4,644)
Other unallocated corporate expenses	**(3,721)**	(4,526)
Profit before income tax expense	**29,586**	24,729

(c) Disaggregation of revenue

	Unaudited							
	Six months ended 30 June							
	Metal Business		Education managements services		Money lending services		Total	
	2026	2025	**2026**	2025	**2026**	2025	**2026**	2025
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Primary geographical markets								
Hong Kong	**3,193,868**	2,165,271	**–**	–	**–**	–	**3,193,868**	2,165,271
PRC Mainland	**16,516**	6,345	**15,040**	15,591	**–**	–	**31,556**	21,936
Singapore	**7,049,684**	7,866,890	**–**	–	**–**	–	**7,049,684**	7,866,890
United Kingdom	**–**	111,975	**–**	–	**–**	–	**–**	111,975
	10,260,068	10,150,481	**15,040**	15,591	**–**	–	**10,275,108**	10,166,072

(d) Disaggregation of revenue from contracts with customers

	Unaudited	
	Six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
By timing of revenue recognition:		
Control transferred over time	**15,040**	15,591
Control transferred at a point in time	**10,260,068**	10,150,481
	10,275,108	10,166,072

5. FINANCE COSTS

	Unaudited	
	Six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
Interest expenses on borrowings	**–**	38
Interest expenses on lease liabilities	**43**	93
Interest expenses related to trade payables *(note)*	**1,612**	–
	1,655	131

Note: Interest expenses incurred for the long credit period provided by supplier.

6. INCOME TAX EXPENSE

The amount of the income tax expense represents the following:

	Unaudited	
	Six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
Current tax	**6,941**	6,886
Deferred tax	**557**	465
Income tax expense	**7,498**	7,351

The Group is subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which members of the Group are domiciled and operates.

Pursuant to the rules and regulations of the British Virgin Islands ("**BVI**"), the Group is not subject to any income tax in the BVI.

Hong Kong Profits tax rate is 16.5% for the six months ended 30 June 2026 (2025: 16.5%) on the estimated assessable profits arising in Hong Kong except for the first HK$2 million of qualified group entity's assessable profit is calculated at 8.25% which is in accordance with the two-tiered profit tax rates regime.

Under the law of the PRC Mainland on Enterprise Income Tax (the "**EIT Law**") and Interpretation Regulation of the EIT Laws, the tax rate of the PRC Mainland subsidiaries is 25% for the six months ended 30 June 2026 (2025: 25%).

7. DIVIDENDS

The Board does not recommend the payment of any dividend of the Company for the six months ended 30 June 2026 (2025: nil).

8. EARNING PER SHARE

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

	Unaudited	
	Six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
Profit		
Profit attributable to owners of the Company	**22,088**	17,378
Number of shares		
Weighted average number of ordinary shares for the purpose of calculating basic earning per share (in thousand)	**995,285**	974,206

Diluted earnings per share was equal to the basic earnings per share as there were no dilutive shares in issue for the six months ended 30 June 2025 and 2026.

9. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS

	Unaudited 30 June 2026 ***HK$'000***	Audited 31 December 2025 *HK$'000*
Trade receivables	**604,749**	286,075
Less: provision for loss allowance	**(3,391)**	(3,173)
Trade receivables – net *(note)*	**601,358**	282,902
Other receivables and deposits	**53,129**	47,184
Less: provision for loss allowance	**(449)**	(346)
Other receivables and deposits – net	**52,680**	46,838
Prepayments	**5,357**	1,003
	659,395	330,743

Note: **Trade receivables**

The credit period granted to customers are 1 month-3 months generally.

The aging analysis of the trade receivables based on the date of demand note is as follows:

	Unaudited 30 June 2026 ***HK$'000***	Audited 31 December 2025 *HK$'000*
0 – 30 days	**593,512**	278,548
31 – 90 days	**7,846**	3,286
91 – 180 days	**–**	1,068
Over 180 days	**–**	–
	601,358	282,902

10. TRADE AND OTHER PAYABLES and ACCRUALS

	Unaudited 30 June 2026 *HK$'000*	Audited 31 December 2025 *HK$'000*
Trade payables	**521,749**	491,586
Other payables and accruals	**6,456**	14,193
	528,205	505,779

The followings is an aging analysis of trade payable presented based on the invoice date:

	Unaudited 30 June 2026 *HK$'000*	Audited 31 December 2025 *HK$'000*
0 – 60 days	**469,707**	166,535
61 – 90 days	**52,042**	–
Over 90 days	**–**	325,051
	521,749	491,586

The credit period on purchases of goods is ranging from 1 month to 3 months generally.

11. RELATED PARTY TRANSACTIONS

(a) Saved as disclosed elsewhere in this announcement, the Group has no any significant related party transactions for the six months ended 30 June 2026 (2025: nil).

(b) Key management includes members of the board of directors and other members of key management of the Group. Their emoluments are set out as follows:

	Unaudited	
	Six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
Salaries and short-term employee benefits	**3,474**	3,474
Contributions to pension scheme	**36**	36
	3,510	3,510

12. FINANCIAL INSTRUMENTS

The Group's financial assets and financial liabilities that are not measured at fair value mainly include trade and other receivables, pledged time deposits, cash and cash equivalents, trade and other payables and accruals and lease liabilities.

Fair value of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis.

Some of the Group's financial instruments are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial instruments are determined (in particular, the valuation technique(s) and inputs used), as well as the level of the fair value measurement hierarchy into which the fair value measurements are categorized (levels 1 to 3) based on the degree to which the inputs to the fair value measurements are observable.

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3 (unobservable inputs).

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

For the six months ended 30 June 2026 ("**1H 2026**" or the "**Current Period**"), the Group's principal businesses, namely the metal business and education management services business, continued to grow steadily.

In the 1H 2026, the international geopolitical landscape was complex and volatile, with intensifying regional conflicts and significantly increasing uncertainties in the global economic environment. The Group consistently adhered to the strategy of "pursuing progress while maintaining stability and proactive deployment," focused on its core metals business, and optimized the industrial structure, achieving steady growth in operating results.

For the Current Period, the Group achieved a revenue of approximately HK$10,275.1 million, representing an increase of approximately 1.1% compared to approximately HK$10,166.1 million for the six months ended 30 June 2025 ("**1H 2025**"). Net profit was approximately HK$22.1 million, representing an increase of approximately 27.0% compared to approximately HK$17.4 million for 1H 2025, demonstrating significant growth in revenue scale and profitability.

I. Metal business

The metals business, the Group's core business, operates as an integrated metal supply chain consolidator engaged in metal merchandise businesses including metal commodities and metal consumer products. Through long term and stable cooperation with a number of large Chinese Mainland state-owned enterprises, large comprehensive key enterprises and international enterprises, it has established a diversified customer and supplier network covering Chinese Mainland, Hong Kong and Singapore, which continuously consolidates and strengthens the competitive advantages in a complex market environment.

In the 1H 2026, that business segment achieved revenue of approximately HK$10,260.1 million, representing an increase of approximately 1.1% as compared with approximately HK$10,150.5 million in the 1H 2025. Segment profit increased by 22.0% to HK$27.2 million. The increase in the metal business was mainly attributable to the following: the Group accurately captured the growing demand from downstream emerging industries against the backdrop of changes in the global trading landscape, achieving continuous business expansion; and relying on its industry resources and channel advantages accumulated over the years, it further broadened its product portfolio and domestic and overseas customer markets. With the continuous expansion in the scale and product range of the metal business, the Group has been concurrently enhancing its internal control and risk management to ensure a balance between business scale growth and controllable risks.

I. Product Field

The Group operated as an integrated metal supply chain consolidator engaged in metal merchandise businesses covering metal commodities and metal consumer products. The Group maintains an extensive product portfolio encompassing metal raw materials such as copper, aluminium, nickel and iron ore, as well as metal consumer products.

II. Market prospects, development plans and strategies

The upgrading of Chinese Mainland's domestic manufacturing industry, the new energy industry and surging demand across domestic and global industrial chains and supply chains continue to drive the growth in demand for the metal industry, providing long-term support to the development of the metal business. The core customers of the Group's metal business include large-scale state-owned enterprises and large-scale comprehensive key enterprises in various sectors in the Chinese Mainland, and are expected to continue to benefit from the development of the domestic economy.

Currently, the divergence in global economic recovery and intensifying geopolitical conflicts have led to wide-range volatility in international commodity prices. The Group will continue to focus on its metal bulk commodity business and metal consumer goods business, etc. with relatively transparent prices and relatively manageable risks in the international and domestic markets.

The Group's customers are mainly large-scale state-owned enterprises and large-scale key comprehensive enterprises in the Chinese Mainland, and such customers have good reputation and continuous and stable procurement needs. The Group will continue to expand its cooperation with large-scale state-owned enterprises and largescale comprehensive key enterprise customers, closely monitor market trends and customer needs, adhere to the strategy of "pursuing progress while maintaining stability", and further strengthen its core metal business.

II. Education management services business

As of 30 June 2026, the wholly-owned subsidiary of the Company, Sichuan Loco Yahui Education Management Limited ("**Loco Yahui**"), was principally engaged in the provision of education management services to different schools and educational institutions in the Chinese Mainland.

The business segment has maintained steady performance since its launch in 2019, focusing on the fields of art and physical education, humanities education and well-rounded education encouraged by the national education policy. As of the 1H 2026, the Group's education management services business recorded revenue of approximately HK$15.0 million, which was broadly comparable to the revenue of this segment of approximately HK$15.6 million for the 1H 2025. The education management services business will continue to maintain healthy development.

I. Main customers

The education management services business mainly involved the provision of relevant education management services to 9 educational institutions in Chengdu, the Chinese Mainland (covering four types of customers, with current major customers including 4 arts and physical education and training institutions, 2 kindergartens, 2 humanistic well-rounded natural experience education providers and 1 educational textbook and book distributor, etc.).

II. Market prospects, development plans and strategies

With the continuous deepening of comprehensive reforms in the national education sector, the Group's education management services business will closely align with policy adjustment, prioritising "quality improvement and stable profitability". It will focus on elevating the service quality for existing customers including schools and educational institutions.

III. Provision of money lending services

During the reporting period, against the uncertainty in the macro credit environment, the Group considers that the credit risk-return profile of its money lending services remains difficult to achieve an acceptable level in the short term. Accordingly, no revenue was recorded in this business segment as of 30 June 2026 (for the six months ended 30 June 2025: Nil). We will continue to adopt an operational strategy featuring prudent assessment and stringent risk control.

FINANCIAL REVIEW

For the six months ended 30 June 2026, the Group had a total revenue of approximately HK$10,275.1 million (for the six months ended 30 June 2025: approximately HK$10,166.1 million), representing an increase of approximately 1.1% as compared with the six months ended 30 June 2025. For the six months ended 30 June 2026, the Group recorded a profit of approximately HK$22.1 million (for the six months ended 30 June 2025: approximately HK$17.4 million), representing an increase of approximately 27.0% as compared with the six months ended 30 June 2025. The increase in profit was mainly attributable to net effect of:

(i) an increase in the Group's total revenue of approximately HK$109 million as discussed above;

(ii) the carrying value of inventories sold was recognised approximately HK$10,236.5 million (for the six months ended 30 June 2025: approximately HK$10,127.4 million);

(iii) an increase in other income of approximately HK$4.8 million;

(iv) an increase in depreciation of property, plant and equipment of approximately HK$1.4 million; and

(v) a decrease in other operating expenses of approximately HK$2.3 million.

For six months ended 30 June 2026, the Group's profit attributable to owners of the Company was approximately HK$22.1 million, as compared to the profit attributable to owners of the Company of approximately HK$17.4 million for the six months ended 30 June 2025.

CAPITAL STRUCTURE, LIQUIDITY AND FINANCIAL RESOURCES

As at 30 June 2026, the Group had cash and bank balances of approximately HK$123.5 million (31 December 2025: approximately HK$64.6 million) and net current assets of approximately HK$231.2 million (31 December 2025: approximately HK$202.8 million). As at 30 June 2026, the current ratio stood at 1.42 times (31 December 2025: 1.37 times).

The Group generally finances its operations primarily with internally generated cash and banking facilities. The increase in cash and bank balances of approximately HK$58.9 million when compared with 31 December 2025 is mainly attributable to profit for the period, increase in the trade and other payables and decrease in pledged time deposits, netting off by the increase in the trade and other receivables.

As at 30 June 2026 and 31 December 2025, the Group had no outstanding borrowings.

As at 30 June 2026, the amount of total available banking facilities of the Group was approximately HK$1,248.5 million (31 December 2025: approximately HK$1,736.8 million). The Directors believed that the Group has adequate financial resources to fulfill its commitments and working capital requirements.

GEARING RATIO

The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital.

As at 30 June 2026, the gearing ratio was nil (31 December 2025: Nil).

CHARGE ON THE GROUP'S ASSETS

As at 30 June 2026, no Group's asset was pledged as security. As at 31 December 2025, an amount of approximately HK$360.4 million of pledged time deposits was pledged to banks to secure certain bank facilities granted to the Group.

FUTURE PLAN FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

As at 30 June 2026, the Group did not have any concrete plan for material investments or capital assets.

SIGNIFICANT INVESTMENTS, ACQUISITIONS AND DISPOSALS

During the six months ended 30 June 2026, the Group did not have any significant investments, acquisitions and disposals of subsidiaries, associates and joint ventures.

CAPITAL COMMITMENT AND CAPITAL EXPENDITURE

As at 30 June 2026, the Group did not have any significant capital commitment and capital expenditure (31 December 2025: Nil).

FOREIGN EXCHANGE EXPOSURE

Certain of the Group's subsidiaries primarily operate in Hong Kong and are exposed to foreign exchange risk arising from various currency exposures, primarily with respect to USD and RMB. Therefore, foreign exchange risk primarily arose from recognized assets and liabilities in our Group's Hong Kong subsidiaries when receiving or to receive foreign currencies from, or paying or to pay foreign currencies to, overseas. Considering that the Hong Kong dollar is pegged with the USD, the management is of the opinion that the currency exposure arising from USD transactions is not significant to the Group. The Group currently does not have a foreign currency hedging policy in respect of foreign currency transactions, assets and liabilities. The Group monitors its foreign currency exposure closely and will consider hedging significant foreign currency exposure should the need arise.

CONTINGENT LIABILITIES

As at 30 June 2026, the Group did not have any material contingent liabilities, guarantees or any litigation or claims of material importance pending or threatened against any member of our Group (31 December 2025: Nil) and there has not been any material change in the contingent liabilities of the Group since 30 June 2026.

EMPLOYEES AND REMUNERATION POLICY

As at 30 June 2026, the Group employed a total of 23 staff (31 December 2025: 22). The total of employee remuneration, including remuneration of the Directors, for the six months ended 30 June 2026 amounted to approximately HK$6.3 million (for the six months ended 30 June 2025: approximately HK$6.2 million).

The remuneration policy and package of the Group's employees are periodically reviewed. In addition to salaries, the Group provides staff benefits including medical and provident fund. Share options and bonuses are also available to employees of the Group at the discretion of the Directors and depending upon the financial performance of the Group.

DIVIDENDS

The Board does not recommend the payment of interim dividend for the six months ended 30 June 2026 (2025: nil).

EVENTS AFTER THE REPORTING PERIOD

There were no significant events after the reporting period of the Group.

OTHER INFORMATION

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 June 2026, the interests and short positions of the Directors and the chief executive 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

Name of Directors	Nature of interests	Number of ordinary shares held	Total	Approximate percentage of shareholding *(Note 1)*
Executive Director:				
Zhang Siyuan *(Note 2)*	Interest of controlled corporation	192,980,000	192,980,000	19.39%

Note 1: The approximate percentage of shareholding was calculated based on the total number of ordinary shares in issue, being 995,284,800 shares as at 30 June 2026.

Note 2: Mr. Zhang Siyuan holds the shares through his wholly-owned company, FIAS (HONG KONG) CO., LIMITED.

Short Positions

As at 30 June 2026, no short positions of Directors or chief executive 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 Rules.

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

So far as is known to the Company, as at 30 June 2026, the following persons/entities (other than the Directors and chief executive 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 1)*
FIAS (HONG KONG) CO., LIMITED *(Note 2)*	Beneficial owner	192,980,000	19.39%
Hon Pok	Beneficial owner	76,000,000	7.64%
Fortune Way Corporation Limited	Beneficial owner	69,188,882	6.95%

Notes:

1. The approximate percentage of shareholding was calculated based on the total number of ordinary shares in issue, being 995,284,800 shares as at 30 June 2026.

2. FIAS (HONG KONG) CO., LIMITED is wholly owned by Mr. Zhang Siyuan, the executive Director.

Save as disclosed above, no other interests or short positions of any persons/entities (other than the Directors and the chief executive 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 30 June 2026.

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

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares) during the six mouths ended 30 June 2026. No treasury shares held by the Company as at 30 June 2026.

COMPETITION AND CONFLICT OF INTEREST

During the six months ended 30 June 2026, 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 had 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.

CORPORATE GOVERNANCE

Corporate Governance Code

The Company has applied the principles of the Corporate Governance Code of Appendix C1 of the GEM Listing Rules (the "**Corporate Governance Code**") and adopted the code provisions set out in part 2 of the Corporate Governance Code (the "**Code Provision(s)**") as its own code to govern its corporate governance practices. During the six months ended 30 June 2026, to the best knowledge of the Board, the Company has complied with all Code Provisions set out in the Corporate Governance Code.

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 had complied with the standards of dealings and the code of conduct regarding securities transactions carried out by Directors adopted by the Company throughout the six months ended 30 June 2026.

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 D.3.3 of the Code Provisions. The duties of the Audit Committee include reviewing, in draft form, our annual report and accounts, interim report and, if prepare for publication, 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 process, risk management and internal control systems.

As at the date of this announcement, the Audit Committee comprises three independent non-executive Directors, namely Ms. Wu Liyan (Chairlady), Mr. Yeung Chun Wa and Mr. Tian Yuan.

The Audit Committee has reviewed this interim announcement, including the unaudited condensed consolidated interim financial statements of the Group for the six months ended 30 June 2026, prior to recommending them to the Board for approval.

HLB Hodgson Impey Cheng Limited, the Company's auditor, had carried out review of the unaudited interim results of the Group for the six months ended 30 June 2026 in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants.

Remuneration Committee

The Company established the remuneration committee (the "**Remuneration Committee**") on 22 July 2014 with written terms of reference in compliance with E.1.2 of the Code Provisions. Amongst other things, the primary duties of the Remuneration Committee are to make recommendations to the Board on remuneration packages of all of our executive Directors and senior management, including benefits in kind, pension rights and compensation payments, any compensation payable for loss or termination of their office or appointment, and make recommendations to the Board on remuneration of independent non-executive Directors.

As at the date of this announcement, the Remuneration Committee comprises one executive Director, namely Mr. Wang Wendong, and two independent non-executive Directors, namely Ms. Wu Liyan (Chairlady) and Mr. Tian Yuan.

Nomination Committee

The Company established the nomination committee (the "**Nomination Committee**") on 22 July 2014 with written terms of reference that was amended and adopted with effect from 2 January 2019 in compliance with B.3.1 of the Code Provisions. The Nomination Committee is mainly responsible for making recommendations to the Board on appointment and succession planning of our Directors. During the period, the diversity of the Board members was achieved by considering of a number of aspects, including but not limited to gender, age, culture and education background, professional experience, skills, knowledge and length of service of each Director. The Company recognises and embraces the benefits of diversity of the Board members. It endeavors to ensure that the Board has a balance of skills, experience and diversity of perspectives appropriate to the requirements of the Company' s business.

As at the date of this announcement, the Nomination Committee comprises two executive Directors, namely Mr. Zhang Siyuan (Chairman) and Mr. Wang Wendong and three independent non-executive Directors, namely Ms. Wu Liyan, Mr. Yeung Chun Wa and Mr. Tian Yuan.

Executive Committee

The Company established the executive committee (the "**Executive Committee**") on 19 December 2016 with written terms of reference. The Executive Committee is mainly responsible for monitoring the formulation, revision and implementation of the Company's strategic plan and monitor the operation of its subsidiaries.

As at the date of this announcement, the Executive Committee comprises three executive Directors, namely Mr. Zhang Siyuan (Chairman), Mr. Wang Wendong and Mr. Fung Chi Kin and one independent non-executive Director, namely Mr. Tian Yuan.

CHANGES IN DIRECTORS' INFORMATION

There is no change of information of each Director that is required to be disclosed under Rule 17.50A(1) of the GEM Listing Rules since the publication of the 2025 annual report of the Company.

APPLICATION FOR TRANSFER TO THE MAIN BOARD

On 26 June 2026, the Company has submitted a formal application to the Stock Exchange for the proposed transfer of the listing of the Company's shares from GEM to the Main Board of the Stock Exchange (the "**Transfer of Listing**") pursuant to Chapter 9B of the Main Board Listing Rules. The Transfer of Listing will not involve the issue of any new shares of the Company. This application is still under review and is subject to the approval of the Stock Exchange.

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

Hong Kong, 12 August 2026

As at the date of this announcement, the executive Directors are Mr. Zhang Siyuan (Chairman of the Board), Mr. Wang Wendong and Mr. Fung Chi Kin; and the independent non-executive Directors are, Ms. Wu Liyan, Mr. Yeung Chun Wa and Mr. Tian Yuan.