

Unless otherwise defined, terms and expressions used in this announcement shall have the same meanings as those defined in the prospectus dated 29 July 2014 (the “**Prospectus**”) issued by Loco Hong Kong Holdings Limited (the “**Company**”).

Hong Kong Exchanges and Clearing Limited, The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and Hong Kong Securities Clearing Company Limited (“**HKSCC**”) take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

This announcement is for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for securities.



LOCO HONG KONG HOLDINGS LIMITED

港銀控股有限公司

(incorporated in Hong Kong with limited liability)

LISTING ON THE GROWTH ENTERPRISE MARKET OF THE STOCK EXCHANGE OF HONG KONG LIMITED BY WAY OF PLACING

Number of Placing Shares : 120,000,000 Placing Shares
Placing Price : HK\$0.36 per Placing Share plus brokerage fee of 1%, SFC transaction levy of 0.003% and Stock Exchange trading fee of 0.005% (payable in full on application in Hong Kong Dollars)
Stock code : 8162

Sponsor



大有融資有限公司
MESSIS CAPITAL LIMITED

Sole Bookrunner

Convoy Investment Services Limited
康宏証券投資服務有限公司

Principal Sub-underwriter



建勤環球金融服務有限公司
Baron Global Financial Services Limited

- The Placing Price is HK\$0.36 per Placing Share plus brokerage fee of 1%, SFC transaction levy of 0.003% and Stock Exchange trading fee of 0.005%. The net proceeds to be received by the Company from the Placing are estimated to be approximately HK\$28.7 million.
- The 120,000,000 Placing Shares offered by the Company under the Placing have been slightly over-subscribed.

- Pursuant to the Placing, 120,000,000 Placing Shares have been conditionally allocated to a total of 121 selected professional, institutional and other investors.
- The Directors confirm that all placees under the Placing are independent of and not connected with the Company, any of the Directors, chief executive, Controlling Shareholders, Substantial Shareholders or Significant Shareholders of the Company or any of its subsidiaries, and their respective associates (as defined in the GEM Listing Rules) or any person or group of persons as stated in Rule 10.12(4) of the GEM Listing Rules or any nominees of the foregoing. No placee will, individually, be placed with more than 10% of the enlarged issued share capital of the Company immediately after completion of the Loan Capitalisation Issue, SB Distribution and the Placing.
- Pursuant to Rule 11.23(7) of the GEM Listing Rules, the Company is required to maintain a public float of at least 25% of its total issued share capital at the time of the Listing and at all times thereafter. Pursuant to Rule 11.23(8) of the GEM Listing Rules, not more than 50% of the Shares in public hands at the time of the Listing shall be owned by the three largest public shareholders. The Directors confirm that immediately after completion of the Loan Capitalisation Issue, SB Distribution and the Placing, the public float of the Company will be 30% of the enlarged issued share capital of the Company and not more than 50% of the Shares in public hands at the time of the Listing will be owned by the three largest public Shareholders.
- Dealings in the Shares on GEM are expected to commence at 9:00 a.m. on Tuesday, 5 August 2014. Shares will be traded in board lots of 10,000 Shares each. The stock code of the Shares is 8162.
- **Investors should be aware that the concentration of Shareholders may affect the liquidity of the Shares. Consequently, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.**

PLACING PRICE AND USE OF PROCEEDS

The Placing Price is HK\$0.36 per Placing Share plus brokerage fee of 1%, SFC transaction levy of 0.003% and Stock Exchange trading fee of 0.005%. The net proceeds of the Placing, after deducting the related expenses, are estimated to be approximately HK\$28.7 million. The Directors intend to apply the net proceeds of the Placing as follows.

- approximately 5.2% of the net proceeds, or approximately HK\$1.5 million, for setting up a testing laboratory in our workshop and acquisition of machinery;
- approximately 27.5% of the net proceeds, or approximately HK\$7.9 million, for repayment of a bank loan; and
- approximately 67.3% of the net proceeds, or approximately HK\$19.3 million, for financing of the acquisition of silver inventories for sales to our customers.

LEVEL OF INDICATIONS OF INTERESTS UNDER THE PLACING

The 120,000,000 Shares offered by the Company under the Placing have been slightly over-subscribed.

RESULTS OF ALLOCATION

Pursuant to the Placing, 120,000,000 Shares have been conditionally allocated to a total of 121 selected professional, institutional and other investors. The distribution of the Placing Shares is set out below:

	Aggregate number of Placing Shares allocated	Approximate percentage of the total number of Placing Shares allocated	Approximate percentage of shareholding over the enlarged issued share capital of the Company immediately after completion of the Placing, the Loan Capitalisation Issue and the SB Distribution
Top placee	17,050,000	14.21%	4.26%
Top 5 placees	60,550,000	50.46%	15.14%
Top 10 placees	86,280,000	71.90%	21.57%
Top 25 placees	114,420,000	95.35%	28.61%

Number of Placing Shares allocated

Number of placees

10,000 to 50,000	83
50,001 to 1,000,000	15
1,000,001 to 2,000,000	6
2,000,001 to 5,000,000	9
5,000,001 to 20,000,000	8

Total:

121

The Directors confirm that all placees under the Placing are independent of and not connected with the Company, any of the Directors, chief executive, Controlling Shareholders Substantial Shareholders or Significant Shareholders of the Company or any of its subsidiaries, and their respective associates (as defined in the GEM Listing Rules) or any person or group of persons as stated in Rule 10.12(4) of the GEM Listing Rules or any nominees of the foregoing. No placee will, individually, be placed with more than 10% of the enlarged issued share capital of the Company immediately after completion of the Loan Capitalisation Issue, SB Distribution and the Placing.

Investors should be aware that the concentration of Shareholders may affect the liquidity of the Shares. Consequently, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

MINIMUM PUBLIC FLOAT REQUIREMENT

Pursuant to Rule 11.23(7) of the GEM Listing Rules, the Company is required to maintain a public float of at least 25% of its total issued share capital at the time of the Listing and at all times thereafter. Pursuant to Rule 11.23(8) of the GEM Listing Rules, not more than 50% of the Shares in public hands at the time of the Listing shall be owned by the three largest public Shareholders. The Directors confirmed that immediately after completion of the Loan Capitalisation Issue, SB Distribution and the Placing, the public float of the Company will be 30% of the issued share capital of the Company and not more than 50% of the Shares in public hands at the time of the Listing will be owned by the three largest public Shareholders.

DEPOSIT OF SHARE CERTIFICATES INTO CCASS

Subject to the granting of the listing of, and permission to deal in, the Shares on GEM and the compliance by the Company with the stock admission requirements of HKSCC, the Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the Listing Date or such other date as determined by HKSCC.

Settlement of transactions between participants of the Stock Exchange is required to take place in CCASS on the second business day after any trading day. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

All necessary arrangements have been made for the Shares to be admitted into CCASS.

No receipt will be issued for any application monies paid. The Company will not issue any temporary documents of title.

The share certificates for the Placing Shares to be distributed via CCASS are expected to be deposited into CCASS on or before 4 August 2014 for credit to the relevant CCASS Participants' stock accounts designated by the Sole Underwriter, the placees or their respective agents (as the case may be).

Prospective investors of the Placing Shares should note that the Sole Underwriter is entitled to terminate the Underwriting Agreement by giving written notice to the Company upon the occurrence of any of the events set forth under the paragraph headed "Grounds for termination" in the section headed "Underwriting" in the Prospectus at any time prior to 8:00 a.m. (Hong Kong time) on the Listing Date. Such events include, without limitation, any act of God, war, riot, public disorder, civil commotion, fire, flood, explosion, epidemic, terrorism, strike or lock-out. In the event that the Underwriting Agreement does not become unconditional or is terminated in accordance with its terms and conditions, an announcement will be published by the Company on the Stock Exchange's website at www.hkexnews.hk and the Company's website at www.locohongkong.com accordingly.

All share certificates for the Placing Shares will only become valid certificates of title when the Placing has become unconditional in all respects and the Underwriting Agreement has not been terminated in accordance with its terms at any time prior to 8:00 a.m. (Hong Kong time) on the Listing Date.

COMMENCEMENT OF DEALINGS

Dealings in the Shares on GEM are expected to commence at 9:00 a.m. on Tuesday, 5 August 2014.

If there is any change to the expected timetable, an announcement will be published immediately by the Company on the website of the Stock Exchange at www.hkexnews.hk and the Company's website at www.locohongkong.com. Shares will be traded in board lots of 10,000 Shares each. The stock code of the Shares is 8162.

By order of the Board
Loco Hong Kong Holdings Limited
Felipe Tan
Chairman

Executive Directors:

Felipe Tan (*Chairman*)

Chau Mei Fan

Independent non-executive Directors:

Chan Ka Ling Edmond

Tsang Wai Chun, Marianna

Tang Cornor Kwok Kau

Hong Kong, 4 August 2014

This announcement, for which all the Directors jointly and severally 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 matters the omission of which would make any statement in this announcement misleading.

This announcement and a copy of the Prospectus will remain on the Stock Exchange's website at www.hkexnews.hk and in the case of this announcement, on the "Latest Company Announcements" page for at least 7 days from the date of its posting. This announcement and a copy of the Prospectus will also be published and remains on the Company's website at www.locohongkong.com.