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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)

VOLUNTARY ANNOUNCEMENT LATEST BUSINESS UPDATE

This announcement is made by Loco Hong Kong Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) on a voluntary basis to provide its shareholders and potential investors with the latest business development of the Group.

Reference is made to the Company’s annual report for the year ended 31 December 2021 and the first quarterly report for the three months ended 31 March 2022, in relation to, among others, the cooperation agreement (the “**Cooperation Agreement**”) which the Group has entered into with a company established in the People’s Republic of China (“**PRC**”) in the first quarter of 2022.

The board (the “**Board**”) of directors (the “**Directors**”) of the Company is pleased to announce that, to substantiate the framework laid by the Cooperation Agreement, Sichuan Loco Metal Technology Co., Ltd* (四川港銀金屬科技有限公司) (“**Loco Metal**”), being a wholly-owned subsidiary of the Company, entered into a supplemental agreement (the “**Supplemental Agreement**”) with Chengdu Zhonghuan Fulin Trading Co., Ltd.* (成都中環福霖商貿有限公司) (“**Zhonghuan Fulin**”) on 18 May 2022.

Pursuant to the Supplemental Agreement, Loco Metal agreed to sell, and Zhonghuan Fulin agreed to purchase, metal products. The minimum purchase commitment by Zhonghuan Fulin for 2022 is RMB50 million. For 2023, the minimum purchase commitment by Zhonghuan Fulin is RMB50 million and the purchase amount is expected to be RMB100 million, where the actual purchase amount shall be determined by negotiation between the parties with reference to market demand. The term of the Supplemental Agreement is from 18 May 2022 to 31 December 2023, and the Supplemental Agreement is renewable subject to Loco Metal and Zhonghuan Fulin entering into a new agreement 30 days prior to expiration.

Zhonghuan Fulin is a company established in the PRC with limited liability. Zhonghuan Fulin is an industrial supply chain unit which generally engages in the trading of metal and electronic products, mechanical equipment and metal component and is a supplier of hardware and electromechanical standard parts in the Sichuan Province. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, as at the date of this announcement, Zhonghuan Fulin and its ultimate beneficial owner are independent third parties of the Company and its connected persons as defined by the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the "**GEM Listing Rules**").

The Board considers that the Supplemental Agreement represents an opportunity to diversify and expand the Company's metal trading business which is in the best interests of the Company's shareholders. The Company will issue further announcement(s) to keep the market informed of material developments (if any) as and when appropriate, or where required by the GEM Listing Rules.

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

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

Hong Kong, 18 May 2022

* *for identification purpose only*

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 Listed Company Information" page of the GEM website at 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.