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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)

QUARTERLY UPDATE ON BUSINESS PROGRESS

This announcement is made by Loco Hong Kong Holdings Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) pursuant to Rule 17.26A of the Rules Governing the Listing of Securities on GEM of the Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) (the “**GEM Listing Rules**”) and the Inside Information Provisions (as defined in the GEM Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Reference is made to the announcements of the Company dated 31 May 2023 (the “**Announcement**”) in relation to, among other things, the resumption guidance for the resumption of trading in the Company’s shares (the “**Shares**”) set by the Stock Exchange (the “**Resumption Guidance**”). Unless otherwise specified, capitalized terms used in this announcement shall have the same meanings as those defined in the Announcement.

BUSINESS OPERATIONS

The Group are principally engaged in business including the trading of metal and metal supply chain business in Hong Kong and the mainland of the People’s Republic of China (the “**PRC Mainland**”), provision of education management services in the PRC Mainland and provision of money lending services in Hong Kong.

Trading of metal and metal supply chain business

As disclosed in the interim report (the “**2023 Interim Report**”) of the Company for the six months ended 30 June 2023, the Group had positioned itself as a diversified and sustainable metal trader and supply chain integrator providing one-stop integrated services from procurement and logistics to trade and customs declaration. The Group had recorded revenue of approximately HK\$125.7 million for the trading of metal and metal supply chain business, representing an increase of approximately 1,119% as compared to that of approximately HK\$10.3 million for the six months ended 30 June 2022. The substantial growth in revenue of this segment was mainly attributable to the Group’s effort to accelerate the development of its metal business and the sustainability of its business model.

Between 1 July 2023 and 15 August 2023, the Group also entered into contracts with several companies to provide metal trading and metal supply chain services, of which the successfully completed metal sales volume was approximately 2.5 thousand tons with the sales contract amounted to approximately US\$21.0 million (equivalent to approximately HK\$163.9 million), and the outstanding metal sales volume was approximately 9.8 thousand tons. Counterparties include Yancoal International (Singapore) Pte. Ltd., which is a subsidiary of a Hong Kong listed company (the parent company of the Hong Kong listed company is a state-owned enterprise in the PRC Mainland), Vanding Innova SG Pte. Ltd., which is a subsidiary of a large key enterprise in the PRC Mainland, Xinglong SGP Pte. Ltd., Yokoma Pte. Ltd. and Petram Pte. Ltd..

Education management services business

As disclosed in the 2023 Interim Report, the Group had recorded revenue of approximately HK\$14.6 million from the education management services business, representing an increase of approximately 711% as compared to that of approximately HK\$1.8 million for the six months ended 30 June 2022. The growth in revenue of this segment was mainly attributable to the gradual receding of the pandemic in PRC Mainland and the resumption of normal educational teaching and extracurricular programs for students and therefore the increase in student enrollment and utilization rate of the Group's clients.

Provision of money lending services

As mentioned in the 2023 Interim Report, due to the uncertain economic situation and business outlook, the Group strictly adheres to a prudent credit assessment and review policy and assesses the creditworthiness of existing and potential customers in a timely manner based on the prevailing market conditions and the respective background of the customers. As the prevailing uncertain economic conditions would affect asset valuation projections, business forecasts and individual repayment capacity projections, the Group still adopted further enhanced risk control measures and prudent evaluation and lending policies in selecting qualified credit applicants for potential business opportunities. For the six months ended 30 June 2023 up to the date of this announcement, no revenue was recorded in this business segment.

UPDATE ON PROGRESS OF RESUMPTION

The Company is committed to working towards the resumption of trading in the Shares and its strategy of cautious and organic improvement and expansion of its core business and exploring of suitable opportunities and will take appropriate steps to demonstrate its compliance with the matters set out in the Resumption Guidance. Further announcements will be made as and when appropriate to update the shareholders and the market on the progress and any material development.

CONTINUED SUSPENSION OF TRADING

At the request of the Company, trading in the Shares has been suspended with effect from 9:00 a.m. on Tuesday, 16 May 2023 and will remain suspended until further notice.

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
Chief Executive Officer

Hong Kong, 15 August 2023

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 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 Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) 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 Announcements” page of the Stock Exchange’s website at www.hkexnews.hk for at least 7 days from the date of its publication and will be available on the Company’s website at www.locohkholdings.com.