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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; AND CONTINUED SUSPENSION OF TRADING

This announcement is made by Loco Hong Kong Holdings Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) pursuant to Rule 17.10(2)(a) and Rule 17.26A of the Rules Governing the Listing of Securities on GEM (the “**GEM Listing Rules**”) of The Stock Exchange of Hong Kong Limited (the “**Hong Kong Stock Exchange**”) 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 and 15 August 2023 in relation to, among other things, the resumption guidance for the resumption of trading in the Company’s shares (the “**Shares**”) set by the Hong Kong Stock Exchange and the quarterly update on the Group’s business progress.

QUARTERLY UPDATE ON BUSINESS PROGRESS

As disclosed in the third quarterly report of the Company (the “**Q3 Report**”) for the nine months ended 30 September 2023 (“**Q3 2023**”), the Group recorded (i) a total revenue of approximately HK\$3.779 billion for Q3 2023, representing a significant increase of approximately 17,471% (an increase of approximately 174.71 times) as compared to that of approximately HK\$21.5 million for the nine months ended 30 September 2022 (“**Q3 2022**”); and (ii) a net loss attributable to the owners of the Company of approximately HK\$0.5 million for Q3 2023, representing a significant decrease of approximately 97.5% as compared to that of approximately HK\$21.6 million for Q3 2022.

For Q3 2023, the Group recorded a profit before tax of approximately HK\$4.33 million, as compared to a loss before tax of approximately HK\$22.68 million for Q3 2022. Excluding non-operating related expenses (i.e. share of loss of an associate of the Group), the Group recorded a net profit attributable to the owners of the Company of approximately HK\$1.0 million for Q3 2023. For the three months ended 30 September 2023, the Group successfully recorded a net profit attributable to the owners of the Company, while the net profit attributable to the owners of the Company excluding non-operating related expenses (i.e. share of loss of an associate of the Group) amounted to approximately HK\$1.55 million.

Metal Business

During Q3 2023, the overall revenue of the Group's trading of metal and metal supply chain business (the "**Metal Business**") showed good recovery and significant growth. As of Q3 2023, the Metal Business recorded revenue of approximately HK\$3.755 billion, representing a significant increase of approximately 23,079% (an increase of approximately 230.79 times) as compared with the recorded revenue of approximately HK\$16.2 million from the Metal Business for Q3 2022. The main reasons for the aforesaid revenue growth are, on the one hand, the continuation of the recovery trend of the Metal Business in 2023 amidst the gradual normalization and resumption of global trade, and on the other hand, it was driven by the Group's long-term layout accumulation and proactive efforts to accelerate the sustainable development of the Metal Business, including the Group's success in broadening the product varieties of the Metal Business and proactively expanding to international trade, as well as its success in building up business relationships with a number of large-scale key comprehensive enterprises in the mainland of the People's Republic of China (the "**PRC Mainland**") and international corporations. These efforts have resulted in substantial improvements during Q3 2023.

The scope of the Metal Business includes bulk trading of metal commodities, and the main products include London Metal Exchange delivery products, standard metals such as copper, aluminum, nickel and metal parts, and bulk commodities such as copper concentrates, iron ore and ferronickel.

The Group's major customers during Q3 2023 included:

Name of customer	The group/de facto controller that the customer belongs to	Nature of the group/de facto controller that the customer belongs to
Vanding Innova SG Pte. Ltd	A wholly-owned subsidiary of Wanxiang Group* (萬向集團公司), a large-scale key comprehensive enterprise in the PRC Mainland, which is one of China's top 500 companies. Wanxiang Group has four companies listed on the Shanghai Stock Exchange and the Shenzhen Stock Exchange respectively in the PRC Mainland (Stock Codes: 000559, 000631, 000848 and 600371).	Large-scale key comprehensive enterprise in the PRC Mainland
Xinglong SGP Pte. Ltd.	An international commodities trading company in Singapore, whose main products are standard metals such as copper, aluminum and nickel, as well as copper concentrate, iron ore, ferronickel and energy products.	International trading enterprise
Yancoal International (Singapore) Pte. Ltd. (“ Yancoal International ”)	A wholly-owned subsidiary of Shandong Energy Group Co., Ltd. (“ Shandong Energy ”), a state-owned enterprise of Shandong Province. Yancoal International is the overseas trading platform company of Shandong Energy's energy trading sector.	Large-scale comprehensive state-owned enterprise in the PRC Mainland
	Shandong Energy is also the controlling shareholder of Yankuang Energy Group Company Limited* (兗礦能源集團股份有限公司), a company listed on the Hong Kong Stock Exchange (Stock Code: 1171).	
Sichuan Cloud Port International (Hong Kong) Limited (“ SCPI ”)	A wholly-owned subsidiary of Sichuan Port and Shipping Investment Group Co., Ltd. (“ SPSI Group ”), a state-owned enterprise in Sichuan Province. SPSI Group is a large-scale comprehensive trading group in western PRC Mainland, and SCPI is the Hong Kong window company of SPSI Group.	Large-scale comprehensive state-owned enterprise in the PRC Mainland

Name of customer	The group/de facto controller that the customer belongs to	Nature of the group/de facto controller that the customer belongs to
Yunnan Tonghai Linhai Standard Parts Co., Ltd.* (雲南通海林海標件有限公司)	A supplier of hardware standard parts in Yunnan Province. The company has been operating for around 20 years. Its main downstream customers are transportation infrastructure state-owned enterprises and manufacturing enterprises in Yunnan Province.	Key medium-sized private-owned enterprise in the PRC Mainland
Chengdu Zhonghuan Fulin Trading Co., Ltd.* (成都中環福霖商貿有限公司) (“ Zhonghuan Fulin ”)	Zhonghuan Fulin is one of the largest hardware, electromechanical standard parts supply chain enterprises in Sichuan Province, and is a national hardware and electromechanical information collection unit in the PRC Mainland. Zhonghuan Fulin has been operating for more than 20 years and has more than 1,000 downstream end customers.	Key private-owned enterprise in its industry in the PRC Mainland
Sichuan Jianyang Sanhe Standard Parts Co., Ltd.* (四川省簡陽三和標準件有限公司)	A hardware standard parts supplier in Jianyang City, Sichuan Province. The company has been operating for more than 20 years. Its main downstream customers are transportation infrastructure enterprises and manufacturing enterprises in Sichuan Province.	Medium-sized private-owned enterprise in the PRC Mainland
The Group’s new customer in October 2023:		
Zall International Commerce (Singapore) Pte. Ltd.	A wholly-owned subsidiary of Zall Smart Commerce Group Ltd. (“ Zall Smart Commerce ”), which is one of China’s top 500 companies and a large-scale comprehensive digital supply chain platform company. Zall Smart Commerce is also a company listed on the Hong Kong Stock Exchange (Stock Code: 2098).	Company listed on the Hong Kong Stock Exchange

For more information on the Metal Business, please refer to the Q3 Report.

Education Management Services Business

During Q3 2023, the overall revenue of the Group's education management services business (the "**Education Management Services Business**") showed good recovery and substantial growth. As of Q3 2023, the Education Management Services Business recorded revenue of approximately HK\$23.8 million, representing a significant increase of approximately 349% (an increase of approximately 3.49 times) as compared with the revenue of approximately HK\$5.3 million recorded by the Education Management Services Business for Q3 2022. With the stable and sustainable development of the Education Management Services Business, the Group was able to capture the increase in demand as the PRC Mainland's domestic education and teaching as well as student extracurricular courses and activities gradually returned to normal during the period, resulting in significant revenue growth.

The Education Management Services Business is mainly committed to providing comprehensive education management and consulting services to various educational institutions in Chengdu, Sichuan Province, the PRC Mainland, focusing on arts, physical education and humanities well-rounded education management service. During Q3 2023, the major customers of the Education Management Services Business included 4 arts and physical education and training institutions, 2 kindergartens, 1 humanistic well-rounded natural experience education provider and 1 educational textbook and book distributor.

For more information on the Education Management Services Business, please refer to the Q3 Report.

FINANCIAL SUPPORT FROM SUBSTANTIAL SHAREHOLDER

The board (the "**Board**") of directors of the Company (the "**Directors**") announces that up to the date of this announcement, Mr. Zhang Siyuan ("**Mr. Zhang**"), being a substantial shareholder (as defined under the GEM Listing Rules) of the Company ("**Shareholder**"), an executive Director and the Chairman of the Board, had provided unsecured loan in the aggregate amount of approximately HK\$35 million to the Group for its general working capital uses.

The Company believes that the continuous support from Mr. Zhang shows his confidence in the Group's development, and the financial assistance provided by Mr. Zhang will be helpful for the Company to implement and expand its development plans from time to time, thereby contributing to the business stability and sustainability as well as long-term development of the Group.

UPDATE ON PROGRESS OF RESUMPTION

As mentioned above, the Group's performance has showed significant improvement during Q3 2023. 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. In the event of any doubt, Shareholders and potential investors of the Company should seek professional advice from professionals or financial consultants.

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

Hong Kong, 15 November 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 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 Announcements" page of the Hong Kong 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.

* For identification purposes only.