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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) of the Rules Governing the Listing of Securities on GEM of the Stock Exchange of Hong Kong Limited (the “**Hong Kong 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 (the “**Announcements**”) dated 31 May 2023, 15 August 2023, 15 November 2023 and 15 February 2024 in relation to, among others, 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.

Capitalised terms used in this announcement shall have the same meanings as those defined in the Announcements unless the context requires otherwise.

QUARTERLY UPDATE ON BUSINESS PROGRESS

For the year ended 31 December 2023 (“**FY2023**”), the Group’s two main business segments, namely the Metal Business and the Education Management Services Business, demonstrated robust growth and solid performance and the Group recorded a total revenue of over HK\$10 billion (being approximately HK\$10,740.5 million) and a profit attributable to owners of the Company of approximately HK\$17.4 million. Both business segments recorded significant segment profits as well. The Group also recorded net assets of approximately HK\$40.0 million as at FY2023. For more details, please refer to the Group’s audited financial statements and annual report for FY2023.

Following a successful FY2023, the performance of the Metal Business and the Education Management Services Business has continued to show significant and sustainable development. Based on the unaudited consolidated management accounts of the Group (the “**Management Accounts**”) for the period from 1 January 2024 to 19 April 2024 (being the latest date the Group’s financial information is currently available) (“**Jan-Apr 2024**”), the Group recorded a total revenue of approximately HK\$4,946.1 million and a profit for the period attributable to the owners of the Company of approximately HK\$3.3 million. A summary of the key financial information for the Jan-Apr 2024 period is provided below:

	For the period from 1 January 2024 to 19 April 2024 HK\$’000
Revenue	
– Sales of metal	4,937,015
– Education management services	9,037
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Total revenue	4,946,052
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Profit before income tax expense	5,600
Income tax expense	2,253
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Profit for the period	3,347
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Profit for the period attributable to:	
– Owners of the Company	3,347
– Non-controlling interests	–
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	3,347
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Based on the Management Accounts,

- (i) for Jan-Apr 2024, the Metal Business and the Education Management Services Business recorded a segment profit of approximately HK\$3.4 million and HK\$6.9 million respectively;
- (ii) as at 19 April 2024, the total assets and net assets of the Group were approximately HK\$419.6 million and HK\$42.7 million respectively. The total assets of the Group mainly consisted of trade and other receivables and prepayments of approximately HK\$353.1 million and cash and cash equivalents of approximately HK\$56.3 million.

The information contained in this announcement is based on the information currently available to the Group and after assessment of the Management Accounts, which have not been audited or reviewed by the auditors of the Company or the audit committee of the Company.

FINANCIAL SUPPORT FROM SUBSTANTIAL SHAREHOLDER

The Board would like to announce that up to 19 April 2024, Mr. Zhang, being a substantial shareholder (as defined under the GEM Listing Rules) of the Company, an executive Director and the Chairman of the Board, has provided outstanding unsecured loans in the aggregate amount of approximately HK\$52 million to the Group for its general working capital and business development uses.

The Company believes that the continuing support from Mr. Zhang shows his unwavering confidence and commitment in the Group's development and the financial assistance provided by Mr. Zhang has helped the Company to implement and expand its development plans from time to time efficiently, which enhances business stability, complements the strong sustainability as shown in its financial results and benefits the long-term development of the Group.

UPDATE ON PROGRESS OF RESUMPTION

As mentioned above, the Group's performance has consistently showed significant improvement. 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, 22 April 2024

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 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.