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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)**

### **PROFIT WARNING**

This announcement is made by Loco Hong Kong Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to the Inside Information Provisions (as defined under the GEM Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and Rule 17.10 of the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (the “**GEM Listing Rules**”).

The board (the “**Board**”) of directors (the “**Directors**”) of the Company would like to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that, based on a preliminary assessment of the Group’s unaudited consolidated management accounts for the nine months ended 30 September 2019 (the “**Current Period**”), the Group is currently expected to record a significant increase in unaudited loss for the Current Period of approximately 78.2% as compared to that for the nine months ended 30 September 2018 (the “**Corresponding Period**”). Such expected results was mainly attributable to:

- (i) a significant decrease in revenue of approximately 81.6% from sales of metal during the Current Period mainly due to the global economic downturn, and overall decline in the silver market, which adversely affected the overall silver supply in Hong Kong. In view of the poor performance of sale of silver products, the Group has slowed down the trading activities of silver products and is in the process to explore new business opportunities in trading of other metals with higher profit margin;
- (ii) increase in employee costs of approximately HK\$6.3 million, in particular expenses related to the share options granted to the Directors and employee on 27 August 2019;
- (iii) increase in other operating expenses of approximately HK\$2.2 million, in particular professional fees incurred for new projects; and
- (iv) trading losses on commodity forward contracts of approximately HK\$2.9 million recorded for the Current Period, while trading gains of approximately HK\$1.9 million was recorded for the Corresponding Period.

As the Company is still in the process of finalising its results of the Group for the Current Period, the information contained in this announcement is only based on the preliminary assessment by the Company's management according to the unaudited consolidated management accounts of the Group, which have not been reviewed or audited by the auditors of the Company or by the audit committee of the Company. Shareholders and potential investors are advised to read carefully the Group's results announcement for the Current Period, which is expected to be published on or around 14 November 2019.

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

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

Hong Kong, 11 November 2019

*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. Lau Yuen Sun Adrian, Ms. Wong Susan Chui San, Mr. Zhou Tianshu and Ms. Wu Liyan.*

*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 Company Announcements" page of the GEM website at [www.hkgem.com](http://www.hkgem.com) for at least 7 days from the date of its publication and will be available on the Company's website at <http://www.locohkholdings.com/>.*