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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)

**SUPPLEMENTAL AND CLARIFICATION ANNOUNCEMENT
REGARDING THE PUBLISHED UNAUDITED ANNUAL RESULTS
AND
UPDATE ON THE AUDITED ANNUAL RESULTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

References is made to the announcement of Loco Hong Kong Holdings Limited (the “**Company**”) dated 27 March 2020 (the “**2019 Results Announcement**”) and its supplemental announcement dated 2 April 2020 (the “**Supplemental Announcement**”), in relation to the unaudited annual results of the Company and its subsidiaries (collectively, the “**Group**”) for the year ended 31 December 2019 (the “**2019 Annual Results**”). Capitalized terms used herein, unless otherwise defined, shall have the same meanings as those defined in the 2019 Results Announcement.

The Company would like to announce that the auditing process for the 2019 Annual Results has been completed on 29 April 2020, and would like to supplement and clarify the following in relation to the 2019 Results Announcement (the relevant amendments have been underlined and bold for easy reference):

1. On page 2, the figures (amount expressed in HK\$’000) for “Other operating expenses” of the Unaudited Consolidated Statement of Profit or Loss and Other Comprehensive Income for the year ended 31 December 2019 should read as **(13,882)**.

2. On page 3, the figures (amount expressed in HK\$'000) for “Loss before income tax expense”, “Loss for the year from continuing operations”, “Loss for the year”, “Total comprehensive loss for the year”, “Loss attributable to owners of the Company: – from continuing operations” and “Loss for the year attributable to owners of the Company” of the Unaudited Consolidated Statement of Profit or Loss and Other Comprehensive Income for the year ended 31 December 2019 should read as (20,403), (26,304), (26,304), (26,133), (34,002) and (34,002) respectively.
3. On page 4, the figures (amount expressed in HK\$'000) for “Total comprehensive (loss)/income for the year attributable to: – owners of the Company”, the total amount of “Total comprehensive (loss)/income for the year attributable to”, “Total comprehensive loss attributable to owners of the Company: – from continuing operations” and the total amount of “Total comprehensive loss attributable to owners of the Company” of the Unaudited Consolidated Statement of Profit or Loss and Other Comprehensive Income for the year ended 31 December 2019 should read as (33,885), (26,133), (33,885) and (33,885) respectively, and the figures (amount expressed in HK cents) for “Loss per share attributable to owners of the Company during the year (basic and diluted) – from continuing operations” and the total amount of “Loss per share attributable to owners of the Company during the year (basic and diluted)” of the Unaudited Consolidated Statement of Profit or Loss and Other Comprehensive Income for the year ended 31 December 2019 should read as (6.05) and (6.05) respectively.
4. On page 12, the figures (amount expressed in HK\$'000) for “Reportable segment (loss)/profit” for “Education management services”, the total amount of “Reportable segment (loss)/profit”, “Loss before income tax expense from continuing operations” and “Loss for the year from continuing operations” for the year ended 31 December 2019 as stated in note “(a) Segments results, assets and liabilities” under the note “3. SEGMENT INFORMATION” should read as 22,616, 12,582, (20,403) and (26,304) respectively.
5. On page 14, an additional line item “Amortization of contract costs” shall be added to the note “(b) Other segment information” under the note “3. SEGMENT INFORMATION” for the year ended 31 December 2019, the figures (amount expressed in HK\$'000) for “Amortization of contract costs” for “Trading of metal”, “Money lending services”, “Education management services” and accordingly the total amount of “Amortization of contract costs” shall be stated as –, –, (587) and (587) respectively.

6. On page 19, the figures (amount expressed in HK\$'000) for “Loss attributable to owners of the Company – from continuing operations ” and the total amount of “Loss attributable to owners of the Company” for the year ended 31 December 2019 as stated in note “7. LOSS PER SHARE” should read as (34,002) and (34,002) respectively.

7. On page 24, the first paragraph under the heading “Financial Review” should read as follows:

“For the year ended 31 December 2019, the Group had a total revenue of approximately HK\$216.6 million (2018: total revenue from continuing and discontinued operations of HK\$1,098.0 million), representing a decrease of approximately 80.3% as compared with 2018. The Group recorded loss of approximately HK\$26.3 million (2018: HK\$27.7 million) for the year ended 31 December 2019, representing a decrease of approximately 5.1% as compared to 2018. The decrease in loss was mainly attributable to net effect of:”

8. On page 25, the subparagraphs (iii) and (vi) of first paragraph and the second paragraph under the heading “Financial Review” should read as follows respectively:

“(iii) increase in other operating expenses of approximately HK\$3.3 million, in particular professional fees incurred for new projects;”;

“(vi) profit contributed by the newly established education management services business of approximately HK\$16.7 million.”; and

“For the year ended 31 December 2019, the Group’s loss attributable to owners of the Company was approximately HK\$34.0 million, as compared to the loss attributable to owners of the Company of approximately HK\$27.4 million for 2018.”

Save as disclosed above, the 2019 Annual Results contained in the 2019 Results Announcement remain unchanged.

AUDITORS' AGREEMENT ON THE 2019 ANNUAL RESULTS

Following the adjustments described in items 1 to 6 above, the Company's auditors, HLB Hodgson Impey Cheng Limited, has agreed on the 2019 Annual Results (including the financial figures in respect of the Group's consolidated statement of profit or loss and other comprehensive income, consolidated statement of financial position and the related notes thereto) as set out in the 2019 Results Announcement. The audited consolidated financial statements of the Group for the year ended 31 December 2019 have been reviewed by the Audit Committee and were approved by the Board on 29 April 2020.

SCOPE OF WORK OF AUDITORS

The figures in respect of the Group's consolidated statement of profit or loss and other comprehensive income, consolidated statement of financial position and the related notes thereto for the year ended 31 December 2019 as set out in the 2019 Results Announcement (save as supplemented and clarified by this announcement) and this announcement have been agreed by the Company's auditors, HLB Hodgson Impey Cheng Limited, to the amounts set out in the Group's audited consolidated financial statements for the year as approved by the Board on 29 April 2020. The work performed by HLB Hodgson Impey Cheng Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagement issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by HLB Hodgson Impey Cheng Limited on the 2019 Results Announcement (save as supplemented and clarified by this announcement) or this announcement.

PUBLICATION OF ANNUAL REPORT

As the auditing process for the 2019 Annual Results has been completed, the Company expects to dispatch its annual report for the year ended 31 December 2019 on or before 15 May 2020.

Save as disclosed above, all other information in the 2019 Results Announcement and the Supplemental Announcement remains unchanged.

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

Hong Kong, 29 April 2020

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 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/>.