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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)

PLACING OF NEW SHARES UNDER GENERAL MANDATE

Placing Agent



財通國際證券有限公司

CAITONG INTERNATIONAL SECURITIES COMPANY LIMITED

PLACING OF NEW SHARES UNDER GENERAL MANDATE

The Board is pleased to announce that on 3 January 2025 (after trading hours of the Stock Exchange), the Company entered into the Placing Agreement with the Placing Agent, pursuant to which the Placing Agent has agreed, as agent of the Company, to procure on a best effort basis not less than six Placées who and whose ultimate beneficial owners shall be Independent Third Parties to subscribe for up to 165,880,800 Placing Shares at a Placing Price of HK\$0.48 per Placing Share.

Assuming that there will be no change in the issued shares of the Company between the date of this announcement and the Closing Date, the maximum of 165,880,800 Placing Shares represents (i) 20% of the existing issued shares of the Company as at the date of this announcement; and (ii) approximately 16.67% of the issued shares of the Company as enlarged by the allotment and issue of all the Placing Shares.

The Placing Price of HK\$0.48 per Placing Share under the Placing represents: (i) a discount of approximately 15.79% to the closing price of HK\$0.57 per Share as quoted on the Stock Exchange on 3 January 2025, being the date of the Placing Agreement; and (ii) a discount of approximately 8.40% to the average closing price of approximately HK\$0.524 per Share as quoted on the Stock Exchange for the five consecutive trading days immediately prior to the date of the Placing Agreement.

The Placing Shares will be allotted and issued pursuant to the General Mandate and is not subject to further Shareholders' approval. An application will be made by the Company to the GEM Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Placing Shares.

Assuming all the Placing Shares are fully placed, the gross proceeds from the Placing will be approximately HK\$79,622,800. The net proceeds, after deduction of all relevant expenses (including but not limited to placing commission and legal expenses, etc.) incidental to the Placing of approximately HK\$750,000, are estimated to be approximately HK\$78,872,800.

Shareholders and potential investors of the Company should note that completion of the Placing is subject to the fulfilment of condition and termination events set out in the Placing Agreement. The Placing may or may not proceed. Shareholders and potential investors of the Company should exercise caution in relation to the Placing when dealing in the securities of the Company and should obtain independent professional advice if in doubt.

PLACING OF NEW SHARES UNDER GENERAL MANDATE

On 3 January 2025 (after trading hours of the Stock Exchange), the Company entered into the Placing Agreement with the Placing Agent, pursuant to which the Placing Agent has agreed, as agent of the Company, to procure on a best effort basis not less than six Placees who and whose ultimate beneficial owners shall be Independent Third Parties to subscribe for up to 165,880,800 Placing Shares at the Placing Price of HK\$0.48 per Placing Share.

THE PLACING AGREEMENT

Date

3 January 2025 (after trading hours of the Stock Exchange)

Parties

- (i) the Company (as issuer); and
- (ii) Caitong International Securities Company Limited (as placing agent).

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Placing Agent and its ultimate beneficial owner(s) are Independent Third Parties.

Placing commission

Pursuant to the terms of the Placing Agreement, the Placing Agent will receive a placing commission of 0.72% on the amount equivalent to the Placing Price multiplied by the number of Placing Shares actually placed. The placing commission in respect of the Placing was negotiated on arm's length basis between the Company and the Placing Agent and was determined with reference to prevailing market conditions and commission rates.

The Directors consider that the placing commission in respect of the Placing is fair and reasonable.

Placees

The Placing Shares will be placed to not less than six Placees who and whose ultimate beneficial owners shall be Independent Third Parties.

Upon completion of the Placing, it is expected that none of the Placees will become a substantial Shareholder. If any of the Placees will become a substantial Shareholder after completion of the Placing, the Company will make appropriate disclosure in the completion announcement.

Placing Shares

The maximum of 165,880,800 Placing Shares represents (i) 20% of the existing issued shares of the Company as at the date of this announcement; and (ii) approximately 16.67% of the issued shares of the Company as enlarged by the allotment and issue of all the Placing Shares assuming that there will be no change in the issued shares of the Company between the date of this announcement and the Closing Date.

Ranking of the Placing Shares

The Placing Shares, when allotted and issued, will rank *pari passu* in all respects among themselves and with the Shares then in issue on the date of such allotment and issue.

Placing Price

The Placing Price of HK\$0.48 per Placing Share represents: (i) a discount of approximately 15.79% to the closing price of HK\$0.57 per Share as quoted on the Stock Exchange on 3 January 2025, being the date of the Placing Agreement; and (ii) a discount of approximately 8.40% to the average closing price of approximately HK\$0.524 per Share as quoted on the Stock Exchange for the five consecutive trading days immediately prior to the date of the Placing Agreement.

The Placing Price was arrived at after arm's length negotiations between the Company and the Placing Agent with reference to the prevailing market prices and recent trading performance of the Shares. The Directors consider that the Placing Price and the terms of the Placing Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Condition of the Placing

Completion of the Placing is conditional upon the GEM Listing Committee of the Stock Exchange granting the approval for the listing of, and the permission to deal in, the Placing Shares.

In the event that the above condition is not fulfilled on or before the second Business Day immediately preceding the Closing Date (or such later date as may be agreed between the parties to the Placing Agreement in writing), all rights, obligations and liabilities of the parties to the Placing Agreement shall be null and void and neither of the parties thereto shall have any claim against the other save for any antecedent breach under the Placing Agreement prior to such termination.

Completion of the Placing

Subject to the fulfilment of the condition of the Placing, completion of the Placing shall take place on 24 January 2025, or such other date as may be agreed between the parties to the Placing Agreement in writing.

Application for listing

An application will be made by the Company to the Stock Exchange for the listing of, and permission to deal in, the Placing Shares.

General Mandate to issue the Placing Shares

The Placing Shares will be allotted and issued pursuant to the General Mandate. The maximum number of Shares that can be issued under the General Mandate is 165,880,800 Shares. As at the date of this announcement, no Shares have been allotted and issued under the General Mandate. The General Mandate is sufficient for the allotment and issue of all the Placing Shares. As such, the allotment and issue of the Placing Shares is not subject to further Shareholders' approval. The General Mandate will be fully utilised upon the allotment and issue of all the Placing Shares.

Termination

The Placing Agent may terminate the Placing Agreement, without any liability to the Company save for antecedent breach under the Placing Agreement prior to such termination, by notice in writing given to the Company, at any time prior to 8:00 a.m. on the date of completion of the Placing upon the occurrence of the following events:

- (a) the occurrence of any event, development or change (whether or not local, national or international or forming part of a series of events, developments or changes occurring or continuing before, on and/or after the date of the Placing Agreement) and including an event or change in relation to or a development of an existing state of affairs of a political, military, industrial, financial, economic, fiscal, regulatory or other nature, resulting in a change in, or which may result in a material and adverse change in, political, economic, fiscal, financial, regulatory or stock market conditions of Hong Kong and which in the Placing Agent's reasonable opinion would materially and adversely affect the success of the Placing or make it impracticable or inadvisable or inexpedient to proceed therewith;
- (b) the imposition of any moratorium, suspension (for more than seven (7) consecutive trading days) or restriction on trading in the Shares on the Stock Exchange occurring due to exceptional financial circumstances or otherwise and which in the Placing Agent's reasonable opinion, would materially and adversely affect the success of the Placing;
- (c) any new law or regulation or change in existing laws or regulations or any change in the interpretation or application thereof by any court or other competent authority in Hong Kong or any other jurisdiction relevant to the Group and if in the Placing Agent's reasonable opinion any such new law or change may adversely affect the business or financial prospects of the Group as a whole and/or the success of the Placing;
- (d) any litigation or claim being instigated against any member of the Group, which has or may have an adverse effect on the business or financial position of any member of the Group or the Group as a whole and which in the Placing Agent's reasonable opinion would materially and adversely affect the success of the Placing;

- (e) any material adverse change in the business or in the financial or trading position or prospects of the Group as a whole which in the reasonable opinion of the Placing Agent would materially and adversely affect the success of the Placing;
- (f) any breach of any of the representations and warranties set out in the Placing Agreement comes to the knowledge of the Placing Agent or any event occurs or any matter arises on or after the date of the Placing Agreement and prior to the date of completion of the Placing which if had occurred or arisen before the date of the Placing Agreement would have rendered any of such representations and warranties untrue or incorrect or there has been a breach by the Company of any other provision of the Placing Agreement; or
- (g) any material change (whether or not forming part of a series of changes) in market conditions which in the reasonable opinion of the Placing Agent would materially and prejudicially affect the Placing or makes it inadvisable or inexpedient for the Placing to proceed.

If notice is given pursuant to the above, the Placing Agreement shall terminate and be of no further effect and neither party shall be under any liability to the other party in respect of the Placing Agreement save for any antecedent breach prior to such termination.

REASONS FOR AND BENEFITS OF THE PLACING AND USE OF PROCEEDS

The Group is principally engaged in the bulk trading of metal and metal commodities in Hong Kong, the mainland of the People's Republic of China and internationally, the provision of education management services in the mainland of the People's Republic of China and provision of money lending services in Hong Kong.

Assuming all the Placing Shares are fully placed, the gross proceeds from the Placing will be approximately HK\$79,622,800. The net proceeds, after deduction of all relevant expenses (including but not limited to placing commission and legal expenses, etc.) incidental to the Placing of approximately HK\$750,000, are estimated to be approximately HK\$78,872,800.

The Company intends to apply the net proceeds from the Placing for the general working capital of the Group, including for repayment of shareholder's loan and the development of its bulk trading of metal and metal commodities business.

The Directors consider that the Placing represents a good opportunity to raise additional funding for the operations of the Group and will enable the Group to boost the development of its bulk trading of metal and metal commodities business. The Placing will strengthen the Group's gearing and financial position, and enlarge the shareholder base of the Company which may in turn enhance the liquidity of the Shares and provide additional working capital to the Group. The Company will make further announcement upon completion of the Placing.

The Directors consider that the Placing Agreement is entered into on normal commercial terms following arm's length negotiations between the Company and the Placing Agent and the terms of the Placing Agreement (including the Placing Price and the placing commission) are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

TENTATIVE CHANGES IN SHAREHOLDING STRUCTURE

The tentative changes in the shareholding structure of the Company as a result of the Placing (assuming that there are no other changes in the issued shares of the Company from the date of this announcement up to and immediately upon completion of the Placing) are as follows:

| | As at the date of this announcement | | Immediately upon completion of the Placing (assuming all the Placing Shares are fully issued) | |
|----------------------------------|--|------------------|---|------------------|
| | <i>Number of Shares</i> | <i>Approx. %</i> | <i>Number of Shares</i> | <i>Approx. %</i> |
| FIAS (HONG KONG) CO., LIMITED | 192,980,000 | 23.27% | 192,980,000 | 19.39% |
| Hon Pok | 76,000,000 | 9.16% | 76,000,000 | 7.64% |
| Zhang Bo | 45,000,000 | 5.43% | 45,000,000 | 4.52% |
| Poon Kwan Ho | 46,000,000 | 5.55% | 46,000,000 | 4.62% |
| Other Shareholders | | | | |
| Places | — | — | 165,880,800 | 16.67% |
| Other public Shareholders | 469,424,000 | 56.59% | 469,424,000 | 47.16% |
| Total | 829,404,000 | 100.00% | 995,284,800 | 100.00% |

EQUITY FUND RAISING ACTIVITIES OF THE COMPANY IN THE PAST TWELVE MONTHS

The Company has not conducted any equity fund raising activities in the past twelve months immediately preceding the date of this announcement.

Shareholders and potential investors of the Company should note that completion of the Placing is subject to the fulfilment of condition and termination events set out in the Placing Agreement. The Placing may or may not proceed. Shareholders and potential investors of the Company should exercise caution in relation to the Placing when dealing in the securities of the Company and should obtain independent professional advice if in doubt.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms shall have the respective meaning set adjacent below:

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| “Business Day” | a day (other than a Saturday, Sunday and public holiday) on which licensed banks in Hong Kong are open for business throughout their normal business hours |
| “Board” | the board of Directors |
| “Closing Date” | means 24 January 2025, or such other date as the Company and the Placing Agent may agree in writing |
| “Company” | Loco Hong Kong Holdings Limited (港銀控股有限公司), a company incorporated in Hong Kong with limited liability, the shares of which are listed on GEM (Stock Code: 8162) |
| “connected person(s)” | has the meaning as ascribed to it in the GEM Listing Rules |
| “Director(s)” | the director(s) of the Company |
| “GEM” | GEM operated by the Stock Exchange |
| “GEM Listing Rules” | the Rules Governing the Listing of Securities on GEM |

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| “General Mandate” | the general mandate granted to the Directors pursuant to an ordinary resolution of the Company passed at the annual general meeting of the Company held on 28 June 2024 to allot, issue and deal with new Shares not exceeding 20% of the total issued shares of the Company as at the date of passing of such resolution |
| “Group” | the Company and its subsidiaries |
| “HK\$” | Hong Kong dollar, the lawful currency of Hong Kong |
| “Hong Kong” | the Hong Kong Special Administrative Region of the People’s Republic of China |
| “Independent Third Party(ies)” | any person or company and their respective ultimate beneficial owner(s) (if applicable) who, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, are third parties independent of the Company and its connected persons and not connected persons of the Group |
| “Placee(s)” | the placee(s) procured by the Placing Agent or its agent(s) to subscribe for any Placing Shares pursuant to the Placing Agreement |
| “Placing” | the placing of up to 165,880,800 Placing Shares on and subject to the terms and condition set out in the Placing Agreement |
| “Placing Agent” | Caitong International Securities Company Limited, a licensed corporation to carry on business in type 1 (dealing in securities) and type 4 (advising on securities) regulated activities under the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) |
| “Placing Agreement” | the placing agreement dated 3 January 2025 and entered into between the Company and the Placing Agent in relation to the Placing |
| “Placing Price” | HK\$0.48 per Placing Share |
| “Placing Share(s)” | a total of up to 165,880,800 new Shares to be placed pursuant to the Placing Agreement and to be allotted and issued under the General Mandate, and each a “Placing Share” |
| “Share(s)” | ordinary share(s) of the Company |

| | |
|------------------|---|
| “Shareholder(s)” | registered holder(s) of the issued Share(s) |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “%” | per cent |

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

Hong Kong, 3 January 2025

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. Wong Susan Chui San 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 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.