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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)**

## **INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2025**

### **CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)**

**GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.**

**Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.**

*This announcement, for which the directors (the “**Directors**” or individually a “**Director**”) of Loco Hong Kong Holdings Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”, “**we**”, “**our**” or “**us**”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (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 Information” page of the Stock Exchange’s website at [www.hkexnews.hk](http://www.hkexnews.hk) for at least seven days from the date of its posting and will be available on the Company’s website at [www.locohkholdings.com](http://www.locohkholdings.com).*

The board of Directors (the “**Board**”) of the Company presents the unaudited condensed consolidated interim financial statements of the Group for the six months ended 30 June 2025, together with the comparative unaudited figures for the corresponding periods in 2024, as follows:

## **CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

		<b>Unaudited</b>	
		<b>Six months ended 30 June</b>	
		<b>2025</b>	<b>2024</b>
<i>Notes</i>		<b><i>HK\$'000</i></b>	<b><i>HK\$'000</i></b>
<b>Revenue</b>			
– Sales of metal		<b>10,150,481</b>	8,437,963
– Education management services		<b>15,591</b>	13,620
		<b>10,166,072</b>	8,451,583
Other income		<b>3,396</b>	30
		<b>10,169,468</b>	8,451,613
Carrying value of inventories sold		<b>(10,127,352)</b>	(8,422,786)
Change in fair value of commodity inventory		<b>47</b>	33
Depreciation of property, plant and equipment		<b>(699)</b>	(779)
Depreciation of right-of-use assets		<b>(1,316)</b>	(1,799)
Employee costs		<b>(6,215)</b>	(5,984)
Other operating expenses		<b>(7,114)</b>	(9,524)
Provision of loss allowance on trade and other receivable		<b>(1,270)</b>	(239)
Rental expenses		<b>(689)</b>	(711)
Finance costs	<b>5</b>	<b>(131)</b>	(413)
Profit before income tax expense		<b>24,729</b>	9,411
Income tax expense	<b>6</b>	<b>(7,351)</b>	(4,643)

		<b>Unaudited</b>	
		<b>Six months ended 30 June</b>	
		<b>2025</b>	<b>2024</b>
<i>Notes</i>		<b><i>HK\$'000</i></b>	<b><i>HK\$'000</i></b>
<b>Profit for the period</b>		<u><b>17,378</b></u>	<u><b>4,768</b></u>
<b>Profit for the period attributable to:</b>			
– Owners of the Company		<b>17,378</b>	<b>4,768</b>
– Non-controlling interests		<u><b>–</b></u>	<u><b>–</b></u>
		<u><b>17,378</b></u>	<u><b>4,768</b></u>
<b>Profit for the period</b>		<b>17,378</b>	<b>4,768</b>
<b>Other comprehensive income/(loss)</b>			
Item that may be reclassified subsequently to profit or loss:			
Exchange differences on translating foreign operations		<u><b>2,150</b></u>	<u><b>(1,058)</b></u>
<b>Total comprehensive income for the period</b>		<u><b>19,528</b></u>	<u><b>3,710</b></u>
<b>Total comprehensive income for the period attributable to:</b>			
– Owners of the Company		<b>19,528</b>	<b>3,710</b>
– Non-controlling interests		<u><b>–</b></u>	<u><b>–</b></u>
		<u><b>19,528</b></u>	<u><b>3,710</b></u>
		<b><i>HK cents</i></b>	<b><i>HK cents</i></b>
<b>Basic and diluted earning per share</b>	<b>8</b>	<u><b>1.78</b></u>	<u><b>0.58</b></u>

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		Unaudited 30 June 2025 <i>Notes</i> <i>HK\$'000</i>	Audited 31 December 2024 <i>HK\$'000</i>
<b>Non-current assets</b>			
Property, plant and equipment		2,885	3,441
Right-of-use assets		4,339	4,421
		<u>7,224</u>	<u>7,862</u>
<b>Current assets</b>			
Inventories		338	291
Trade and other receivables and prepayments	9	2,806,551	937,010
Cash and cash equivalents		333,934	21,263
		<u>3,140,823</u>	<u>958,564</u>
<b>Current liabilities</b>			
Trade and other payables and accruals	10	2,958,134	823,602
Borrowings		–	26,052
Contract liabilities		–	28,249
Tax payable		13,892	11,201
Lease liabilities		2,857	2,306
		<u>2,974,883</u>	<u>891,410</u>
<b>Net current assets</b>		<u>165,940</u>	<u>67,154</u>
<b>Total assets less current liabilities</b>		<u>173,164</u>	<u>75,016</u>

	Unaudited 30 June 2025 <i>Notes</i> <i>HK\$'000</i>	Audited 31 December 2024 <i>HK\$'000</i>
<b>Non-current liabilities</b>		
Deferred tax liabilities	2,532	2,067
Lease liabilities	<u>1,906</u>	<u>2,574</u>
	<u>4,438</u>	<u>4,641</u>
<b>Net assets</b>	<u><b>168,726</b></u>	<u><b>70,375</b></u>
<b>Equity</b>		
Share capital	267,171	188,348
Reserves	<u>(98,445)</u>	<u>(117,973)</u>
<b>Equity attributable to the owners of the Company</b>	<b>168,726</b>	<b>70,375</b>
Non-controlling interests	<u>—</u>	<u>—</u>
<b>Total equity</b>	<u><b>168,726</b></u>	<u><b>70,375</b></u>

# CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Unaudited						Equity attributable to owners of the Company	Non-controlling interests	Total equity
	Share capital	Merger reserve	Equity-settled share-based payment reserve	Statutory reserve	Translation reserve	Accumulated losses			
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
<b>At 1 January 2024</b>	188,348	(1,357)	89	4,403	(892)	(150,627)	39,964	38	40,002
Profit for the period	–	–	–	–	–	4,768	4,768	–	4,768
Other comprehensive loss:									
Exchange differences on translating foreign operations	–	–	–	–	(1,058)	–	(1,058)	–	(1,058)
Total comprehensive (loss)/ income for the period	–	–	–	–	(1,058)	4,768	3,710	–	3,710
<b>At 30 June 2024</b>	<u>188,348</u>	<u>(1,357)</u>	<u>89</u>	<u>4,403</u>	<u>(1,950)</u>	<u>(145,859)</u>	<u>43,674</u>	<u>38</u>	<u>43,712</u>
<b>At 1 January 2025</b>	188,348	(1,357)	89	6,561	(2,626)	(120,640)	70,375	–	70,375
Profit for the period	–	–	–	–	–	17,378	17,378	–	17,378
Other comprehensive income:									
Exchange differences on translating foreign operations	–	–	–	–	2,150	–	2,150	–	2,150
Total comprehensive income for the period	–	–	–	–	2,150	17,378	19,528	–	19,528
Issue of new shares by way of placements	79,623	–	–	–	–	–	79,623	–	79,623
Transaction costs attributable to issue of share	(800)	–	–	–	–	–	(800)	–	(800)
<b>At 30 June 2025</b>	<u>267,171</u>	<u>(1,357)</u>	<u>89</u>	<u>6,561</u>	<u>(476)</u>	<u>(103,262)</u>	<u>168,726</u>	<u>–</u>	<u>168,726</u>

## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Unaudited	
	Six months ended 30 June	
	2025	2024
	<i>HK\$'000</i>	<i>HK\$'000</i>
<b>Cash flows from operating activities</b>		
Profit before income tax	<u>24,729</u>	<u>9,411</u>
Adjustments for:		
Change in fair value of commodity inventories	(47)	(33)
Depreciation of property, plant and equipment	699	779
Depreciation of right-of-use assets	1,316	1,799
Interest income	(799)	(17)
Interest expenses	131	413
Provision of loss allowance on trade and other receivables	<u>1,270</u>	<u>239</u>
<b>Operating cash flows before changes in working capital</b>	<b>27,299</b>	<b>12,591</b>
Increase in trade and other receivables and prepayments	(1,868,263)	(99,225)
Increase in trade and other payables and accruals	2,134,503	86,092
Decrease in contract liabilities	<u>(28,249)</u>	<u>—</u>
Cash generated from/(used in) operations	<b>265,290</b>	<b>(542)</b>
Income taxes paid	<u>(4,195)</u>	<u>(3,657)</u>
<b><i>Net cash generated from/(used in) operating activities</i></b>	<b><u>261,095</u></b>	<b><u>(4,199)</u></b>

	<b>Unaudited</b>	
	<b>Six months ended 30 June</b>	
	<b>2025</b>	<b>2024</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
<b>Cash flows from investing activities</b>		
Interest received	793	11
Purchases of property, plant and equipment	(37)	—
<b><i>Net cash generated from investing activities</i></b>	<b>756</b>	<b>11</b>
<b>Cash flows from financing activities</b>		
Proceeds from issue of new shares by way of placement	79,623	—
Issuance cost attributable to issue of placing shares	(800)	—
(Repayment of)/proceeds from borrowings, net	(26,052)	56,514
Interest element of lease payment paid	(93)	(128)
Repayments of capital element of lease payment	(1,363)	(1,584)
<b><i>Net cash generated from financing activities</i></b>	<b>51,315</b>	<b>54,802</b>
<b>Net increase in cash and cash equivalents</b>	<b>313,166</b>	<b>50,614</b>
<b>Cash and cash equivalents at beginning of the period</b>	<b>21,263</b>	<b>16,329</b>
Effect of foreign exchange rate changes	(495)	44
<b>Cash and cash equivalents at end of the period</b>	<b>333,934</b>	<b>66,987</b>



# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 1. GENERAL INFORMATION

Loco Hong Kong Holdings Limited (the “**Company**”) is a limited liability company incorporated in Hong Kong. Its shares are listed on GEM of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). The address of its registered office and principal place of business is Unit 401, 4/F., Fairmont House, 8 Cotton Tree Drive, Admiralty, Hong Kong.

The Company is an investment holding company. The Company and its subsidiaries (collectively the “**Group**”) are principally engaged in metal business, education management services business and money lending services business.

The unaudited condensed consolidated interim financial statements of the Group for the six months ended 30 June 2025 are presented in thousands of units of Hong Kong dollars (“**HK\$’000**”), unless otherwise stated. These unaudited condensed consolidated interim financial statements were approved and authorised for issue by the Directors on 29 August 2025.

## 2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

These unaudited condensed consolidated interim financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 “Interim Financial Reporting” (“**HKAS 34**”) issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”) and the applicable disclosure provisions of the GEM Listing Rules.

The preparations of these unaudited condensed consolidated interim financial statements in compliance with HKAS 34 requires the use of certain judgements, estimates and assumptions that affect the application of policies and the reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

These unaudited condensed consolidated interim financial statements do not include all the information and disclosures required in a full set of financial statements prepared in accordance with Hong Kong Financial Reporting Standards (“**HKFRSs**”), and should be read in conjunction with the Group’s annual financial statements for the year ended 31 December 2024 (the “**2024 annual financial statements**”).

These unaudited condensed consolidated interim financial statements have been prepared with the same accounting policies adopted in the 2024 annual financial statements, except for those that relate to new standards or interpretations effective for the first time for periods beginning on or after 1 January 2025. The adoption of these new or revised HKFRSs has had no material effect on the amounts reported and/or disclosures set out in these unaudited condensed consolidated interim financial statements. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

These unaudited condensed consolidated interim financial statements have not been audited, but have been reviewed by the audit committee of the Company (the “**Audit Committee**”).

The financial information relating to the year ended 31 December 2024 included in these unaudited condensed consolidated interim financial statements as comparative information does not constitute the Company's statutory annual consolidated financial statements for that financial year but is derived from those financial statements. Further information relating to these statutory financial statements required to be disclosed in accordance with section 436 of the Hong Kong Companies Ordinance is as follows:

- The Company has delivered the financial statements for the year ended 31 December 2024 to the Registrar of Companies in accordance with section 662(3) of, and Part 3 of Schedule 6 to, the Hong Kong Companies Ordinance.
- The Company's auditor has reported on the financial statements for the year ended 31 December 2024. The auditor's report was unqualified; did not include a reference to any matter to which the auditor drew attention by way of emphasis without qualifying its report; and did not contain a statement under section 406(2), 407(2) or (3) of the Hong Kong Companies Ordinance.

### **3. USE OF JUDGEMENTS AND ESTIMATES**

In preparing this unaudited condensed consolidated interim financial statements, the significant judgements made by the management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to 2024 annual financial statements.

### **4. SEGMENT INFORMATION**

The Group determines its operating segments based on the reports reviewed by the executive directors of the Company, who are the chief operating decision-maker that are used to make strategic decision. The Group manages its business by divisions, which are organised by business lines.

The segments are managed separately as each business offers different products and requires different business strategies. The following summary describes the operations in each of the Group's reportable segments:

- Metal business – Sales of metal.
- Education management services – Provision of education management services.
- Money lending services – Provision of money lending services.

(a) Segment results, assets and liabilities

	Unaudited			
	Metal business <i>HK\$'000</i>	Education management services <i>HK\$'000</i>	Money lending services <i>HK\$'000</i>	Total <i>HK\$'000</i>
Six months ended 30 June 2025				
Reportable segment revenue ( <i>note (i)</i> )	<u>10,150,481</u>	<u>15,591</u>	<u>–</u>	<u>10,166,072</u>
Reportable segment profit/(loss)	<u>22,325</u>	<u>12,249</u>	<u>(75)</u>	<u>34,499</u>
As at 30 June 2025				
Reportable segment assets	3,058,955	84,229	124	3,143,308
Reportable segment liabilities	<u>2,967,418</u>	<u>5,916</u>	<u>130</u>	<u>2,973,464</u>

  

	Unaudited			
	Metal business <i>HK\$'000</i>	Education management services <i>HK\$'000</i>	Money lending services <i>HK\$'000</i>	Total <i>HK\$'000</i>
Six months ended 30 June 2024				
Reportable segment revenue ( <i>note (i)</i> )	<u>8,437,963</u>	<u>13,620</u>	<u>–</u>	<u>8,451,583</u>
Reportable segment profit/(loss)	<u>12,285</u>	<u>9,895</u>	<u>(73)</u>	<u>22,107</u>
As at 31 December 2024 (Audited)				
Reportable segment assets	886,668	70,153	187	957,008
Reportable segment liabilities	<u>870,609</u>	<u>7,316</u>	<u>191</u>	<u>878,116</u>

*Note:*

- (i) There is no inter-segment revenue for the period.

**(b) Reconciliation of reportable segment results**

	<b>Unaudited</b>	
	<b>Six months ended 30 June</b>	
	<b>2025</b>	<b>2024</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
Reportable segment profit	<b>34,499</b>	22,107
Depreciation of property, plant and equipment	<b>(2)</b>	(4)
Depreciation of right-of-use assets	<b>(577)</b>	(592)
Interest expenses	<b>(21)</b>	(152)
Employee costs	<b>(4,644)</b>	(3,846)
Other unallocated corporate expenses	<b>(4,526)</b>	(8,102)
Profit before income tax expense	<b>24,729</b>	9,411

**(c) Disaggregation of revenue**

	<b>Unaudited</b>							
	<b>Six months ended 30 June</b>							
	<b>Metal business</b>		<b>Education</b>		<b>Money</b>		<b>Total</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>	<b>HK\$'000</b>	<b>HK\$'000</b>	<b>HK\$'000</b>	<b>HK\$'000</b>	<b>HK\$'000</b>	<b>HK\$'000</b>
Primary geographical markets								
Hong Kong	2,165,271	1,050,711	–	–	–	–	2,165,271	1,050,711
PRC Mainland	6,345	7,859	15,591	13,620	–	–	21,936	21,479
Singapore	7,866,890	7,272,448	–	–	–	–	7,866,890	7,272,448
United Kingdom	111,975	106,945	–	–	–	–	111,975	106,945
	<b>10,150,481</b>	<b>8,437,963</b>	<b>15,591</b>	<b>13,620</b>	<b>–</b>	<b>–</b>	<b>10,166,072</b>	<b>8,451,583</b>

**(d) Disaggregation of revenue from contracts with customers**

	<b>Unaudited</b>	
	<b>Six months ended 30 June</b>	
	<b>2025</b>	<b>2024</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
<b>By timing of revenue recognition:</b>		
Control transferred over time	<b>15,591</b>	13,620
Control transferred at a point in time	<b>10,150,481</b>	8,437,963
	<b>10,166,072</b>	8,451,583

## 5. FINANCE COSTS

	Unaudited	
	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
Interest expenses on borrowings	38	285
Interest expenses on lease liabilities	93	128
	<u>131</u>	<u>413</u>

## 6. INCOME TAX EXPENSE

The amount of the income tax expense represents the following:

	Unaudited	
	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
Current tax	6,886	4,643
Deferred tax	465	—
	<u>7,351</u>	<u>4,643</u>

The Group is subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which members of the Group are domiciled and operates.

Pursuant to the rules and regulations of the British Virgin Islands (“BVI”), the Group is not subject to any income tax in the BVI.

Hong Kong Profits tax rate is 16.5% for the six months ended 30 June 2025 (2024: 16.5%) on the estimated assessable profits arising in Hong Kong except for the first HK\$2 million of qualified group entity’s assessable profit is calculated at 8.25% which is in accordance with the two-tiered profit tax rates regime.

Under the law of the PRC Mainland on Enterprise Income Tax (the “EIT Law”) and Interpretation Regulation of the EIT Laws, the tax rate of the PRC Mainland subsidiaries is 25% for the six months ended 30 June 2025 (2024: 25%).

## 7. DIVIDENDS

The Board does not recommend the payment of any dividend of the Company for the six months ended 30 June 2025 (2024: nil).

## 8. EARNING PER SHARE

The calculation of the basic and diluted earning per share attributable to the owners of the Company is based on the following data:

	<b>Unaudited</b>	
	<b>Six months ended 30 June</b>	
	<b>2025</b>	<b>2024</b>
	<b><i>HK\$'000</i></b>	<b><i>HK\$'000</i></b>
<b>Profit</b>		
Profit attributable to owners of the Company	<u>17,378</u>	<u>4,768</u>
<b>Number of shares</b>		
Weighted average number of ordinary shares for the purpose of calculating basic earning per share (in thousand)	<u><b>974,206</b></u>	<u><b>829,404</b></u>

For the six months ended 30 June 2024, the computation of diluted earning per share does not assume the exercise of the Company's outstanding share options since their exercise price is higher than the average market price of the Company's share for the period. Accordingly, the basic and diluted earning per share are the same.

Diluted earnings per share was equal to the basic earnings per share as there were no dilutive shares in issue for the six months ended 30 June 2025.

## 9. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS

	Unaudited 30 June 2025 HK\$'000	Audited 31 December 2024 HK\$'000
Trade receivables	2,701,030	870,715
Less: provision for loss allowance	<u>(3,947)</u>	<u>(2,607)</u>
Trade receivables – net ( <i>note</i> )	2,697,083	868,108
Other receivables and deposits	69,642	27,236
Less: provision for loss allowance	<u>(208)</u>	<u>(201)</u>
Other receivables and deposits – net	69,434	27,035
Prepayments	<u>40,034</u>	<u>41,867</u>
	<u><b>2,806,551</b></u>	<u><b>937,010</b></u>

### *Note: Trade receivables*

The credit period granted to customers are 1 month-3 months generally.

The aging analysis of the trade receivables based on the date of demand note is as follows:

	Unaudited 30 June 2025 HK\$'000	Audited 31 December 2024 HK\$'000
0 – 30 days	2,648,686	859,777
31 – 90 days	48,397	7,082
91 – 180 days	<u>–</u>	<u>1,249</u>
	<u><b>2,697,083</b></u>	<u><b>868,108</b></u>

## 10. TRADE AND OTHER PAYABLES AND ACCRUALS

	Unaudited 30 June 2025 <i>HK\$'000</i>	Audited 31 December 2024 <i>HK\$'000</i>
Trade payables	2,945,424	818,541
Other payables and accruals	<u>12,710</u>	<u>5,061</u>
	<u><b>2,958,134</b></u>	<u><b>823,602</b></u>

The followings is an aging analysis of trade payable presented based on the invoice date:

	Unaudited 30 June 2025 <i>HK\$'000</i>	Audited 31 December 2024 <i>HK\$'000</i>
0 – 60 days	<u><b>2,945,424</b></u>	<u><b>818,541</b></u>

The credit period on purchases of goods is ranging from 1 month to 3 months generally.



## 11. RELATED PARTY TRANSACTIONS

- (a) Saved as disclosed elsewhere in this announcement, the Group has no any significant related party transactions for the six months ended 30 June 2025 (2024: nil).
- (b) Key management includes members of the board of directors and other members of key management of the Group. Their emoluments are set out as follows:

	<b>Unaudited</b>	
	<b>Six months ended 30 June</b>	
	<b>2025</b>	<b>2024</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
Salaries and short-term employee benefits	<b>3,474</b>	2,904
Contributions to pension scheme	<b>36</b>	36
	<b>3,510</b>	<b>2,940</b>

## 12. FINANCIAL INSTRUMENTS

### (a) Financial instruments not measured at fair value

Financial instruments not measured at fair value include cash and cash equivalents, trade and other receivables, loan receivable, trade and other payables and accruals, borrowings and lease liabilities. Due to their short-term nature, the carrying values of the above financial instruments approximates their fair values.

### (b) Financial instruments measured at fair value

The Group's financial assets and financial liabilities that are not measured at fair value mainly include trade and other receivables, cash and cash equivalents, trade and other payables and accruals, borrowings and lease liabilities.

The fair values of financial assets and financial liabilities are determined as follows:

- The fair values of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices; and
- The fair values of other financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis

The carrying amount of other financial assets and liabilities carried at amortised cost, approximate their respective fair values due to relatively short-term nature of these financial instruments.

# MANAGEMENT DISCUSSION AND ANALYSIS

## BUSINESS REVIEW

For the six months ended 30 June 2025 (“**1H 2025**” or the “**Current Period**”), the Group’s principal businesses, namely the metal business and education management services business, continued to grow steadily.

In 1H2025, the global economy continued to face a series of challenges arising from uncertainties in trade and tariff policies, coupled with the advanced restructuring of supply chains, thus driving up the procurement costs of metal raw materials and commodities. The domestic economy of the PRC Mainland demonstrated resilience, with strategic emerging industries, represented by new energy vehicles and photovoltaic equipment, driving sustained growth in the demand for special metals, thereby providing structural support to the metal industry.

Against the complicated environment, the Group adhered to the strategy of “pursuing progress while maintaining stability” by focusing on its core business – the metal business sector, advancing its cooperation network with major customers both domestically and internationally, covering strategic markets such as the PRC Mainland, Hong Kong, and Singapore, strengthening its bargaining power through large-scale procurement, cost control and supply chain optimization and improving its response mechanism to the fluctuating commodity prices to enhance business resilience. Accordingly, the Group’s overall operations continued to develop steadily.

For the Current Period, the Group achieved a revenue of approximately HK\$10,166.1 million, representing an increase of approximately 20.3% compared to approximately HK\$8,451.6 million for the six months ended 30 June 2024 (“**1H2024**”). Net profit was approximately HK\$17.4 million, representing a significant increase of approximately 262.5% compared to approximately HK\$4.8 million for 1H2024, demonstrating significant growth in revenue scale and profitability.

### **1. Metal business**

As a core segment of the Group, the metal business included the bulk metal commodity business and the metal consumer goods business. Through establishing solid cooperation with a number of large-scale state-owned enterprises, large-scale key comprehensive enterprises and international corporations in the PRC Mainland, the Group’s metal business formed a diversified customer and supplier network covering the PRC Mainland, Hong Kong and Singapore, achieving sustained and steady development in a complicated and ever-changing operating environment.

For 1H2025, the revenue of the Group's metal business segment achieved approximately HK\$10,150.5 million, representing an approximately 20.3% increase compared to approximately HK\$8,438.0 million in 1H2024. Segment profit significantly increased by approximately 81.7% year-on-year to approximately HK\$22.3 million. The significant growth of metal business was mainly attributable to the following factors, including: the Group's metal business seized structural opportunities in market demand amidst the general structural recovery of global trade, thus maintaining a continuous growth trend; the accumulation and continuous promotion of the Group's long-term industrial deployment further broadened the product mix and the market for domestic and international clients. The Group also kept strengthening its internal control management system along with the continuous expansion of the scale and variety of the metal business.

### ***I. Product Field***

Leveraging on the Group's proactive adjustments, its multi-year strategic planning in response to changing circumstances and its accumulated supply chain resources, its metal business, primarily focusing on the supply chains of its bulk metal commodity business and metal consumer goods business, covered metal raw material products like copper, aluminum, nickel and iron ore, as well as metal consumer goods extensively. The Group also continuously reviewed the market landscape, scaled up its business, enriched its product mix and facilitated business diversification to fully capitalize on the Group's resources advantages.

### ***II. Market prospects, development plans and strategies***

The upgrading of China's domestic manufacturing industry and the new energy industry continue to drive the growth in demand for the metal industry, providing long-term support to the development of the metal business. The core customers of the Group's metal business include large-scale state-owned enterprises and large-scale comprehensive key enterprises in various sectors in the PRC, and are expected to continue to benefit from the development of the domestic economy.

The current uneven global economic recovery and the continued uncertainty in tariffs and trade policies have intensified the volatility of international commodity prices. To balance the risks of market volatility effectively, the Group will continue to focus on its metal bulk commodity business and metal consumer goods business, etc with relatively transparent prices and relatively manageable risks in the international and domestic markets.

The Group's customers are mainly large-scale state-owned enterprises and large-scale key comprehensive enterprises in the PRC, and such customers have good reputation and continuous and stable procurement needs. The Group will continue to expand its cooperation with large-scale state-owned enterprises and large-scale comprehensive key enterprise customers, closely monitor market trends and customer needs, adhere to the strategy of "pursuing progress while maintaining stability", and further strengthen its core metal business.

## **II. Education management services business**

As of 30 June 2025, the wholly-owned subsidiary of the Company, Sichuan Loco Yahui Education Management Limited ("**Loco Yahui**"), was principally engaged in the provision of education management services to different schools and educational institutions in the PRC Mainland.

The education management services business has performed well and maintained steady development since its launch in 2019. This business segment focused on areas encouraged by national education policies, such as arts and physical education and humanistic well-rounded education. It serves a number of stable contracted customers, mainly including arts and physical education training institutions, kindergartens, humanistic well-rounded and natural experience education bases and educational textbooks and book distributors at the moment. The education management services business achieves a healthy and stable momentum.

As of 1H2025, the Group's education management services business recorded revenue of approximately HK\$15.6 million, representing an increase of approximately 14.7% as compared to approximately HK\$13.6 million recorded in 1H2024. The education management services business will continue to maintain healthy and stable development.

## ***I. Main customers***

The education management services business mainly involved the provision of relevant education management services to 9 educational institutions in Chengdu, the PRC Mainland (covering four types of customers, with current major customers including 4 arts and physical education and training institutions, 2 kindergartens, 2 humanistic well-rounded natural experience education providers and 1 educational textbook and book distributor, etc.).

## ***II. Market prospects, development plans and strategies***

The Group's education management services business primarily operates in Chengdu, Sichuan Province. As a provincial capital city with a population of approximately 21 million, Chengdu offers great potential in the education market. Although the Group's education management service business faces difficulties of uncertainties arising from the continuous changes and reforms in national education policies, by closely following policy adjustments and optimizing service content, it has provided education management services to 9 education-related institutional customers. The education management services business will strive to maintain healthy and stable development.

## **III. Provision of money lending services**

During the current reporting period under review, the uncertainty in global economic development was intensified. The Group believes that the credit risk-return level in money lending services will remain difficult to reach an acceptable level in the short term. Accordingly, no revenue was recorded in this business segment as of 30 June 2025 (for the six months ended 30 June 2024: Nil).

## FINANCIAL REVIEW

For the six months ended 30 June 2025, the Group had a total revenue of approximately HK\$10,166.1 million (for the six months ended 30 June 2024: approximately HK\$8,451.6 million), representing an increase of approximately 20.3% as compared with the six months ended 30 June 2024. For the six months ended 30 June 2025, the Group recorded a profit of approximately HK\$17.4 million (for the six months ended 30 June 2024: approximately HK\$4.8 million), representing an increase of approximately 262.5% as compared with the six months ended 30 June 2024. The increase in profit was mainly attributable to net effect of:

- (i) an increase in the Group's total revenue of approximately HK\$1,714.5 million as discussed above;
- (ii) the carrying value of inventories sold was recognised approximately HK\$10,127.4 million (for the six months ended 30 June 2024: approximately HK\$8,422.8 million);
- (iii) an increase in other income of approximately HK\$3.4 million; and
- (iv) a decrease in other operating expenses of approximately HK\$2.4 million.

For six months ended 30 June 2025, the Group's profit attributable to owners of the Company was approximately HK\$17.4 million, as compared to the profit attributable to owners of the Company of approximately HK\$4.8 million for the six months ended 30 June 2024.

## CAPITAL STRUCTURE, LIQUIDITY AND FINANCIAL RESOURCES

As at 30 June 2025, the Group had cash and bank balances of approximately HK\$333.9 million (31 December 2024: approximately HK\$21.3 million) and net current assets of approximately HK\$165.9 million (31 December 2024: approximately HK\$67.2 million). As at 30 June 2025, the current ratio stood at 1.1 times (31 December 2024: 1.1 times).

The Group generally finances its operations primarily with internally generated cash and borrowings. The increase in cash and bank balances of approximately HK\$312.6 million when compared with 31 December 2024 is mainly attributable to profit for the period, increase in the trade and other payables and net proceeds from issue of shares, netting off by the increase in the trade and other receivables and repayment of borrowings.

As at 30 June 2025, the Group had no outstanding borrowings (31 December 2024: approximately HK\$26.1 million). The borrowings represent loans denominated in HK\$, the United States dollar (“USD”) and the Renminbi (“RMB”) from shareholders of the Company bearing interest at 2.5% per annum which are unsecured and are repayable within one year.

As at 30 June 2025, no banking facilities were granted to the Group (31 December 2024: Nil). The Directors believed that the Group has adequate financial resources to fulfill its commitments and working capital requirements.

## **GEARING RATIO**

The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital.

As at 30 June 2025, the gearing ratio was nil (31 December 2024: 12.1%).

## **CHARGE ON THE GROUP’S ASSETS**

As at 30 June 2025, no Group’s asset was pledged as security (31 December 2024: Nil).

## **FUTURE PLAN FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS**

As at 30 June 2025, the Group did not have any concrete plan for material investments or capital assets.

## **SIGNIFICANT INVESTMENTS, ACQUISITIONS AND DISPOSALS**

During the six months ended 30 June 2025, the Group did not have any significant investments, acquisitions and disposals of subsidiaries, associates and joint ventures.

## **PLACING OF NEW SHARES UNDER GENERAL MANDATE**

As disclosed in the Company’s announcements dated 3 January 2025, 8 January 2025 and 24 January 2025, the Company had completed placing of 165,880,800 ordinary shares of the Company at a placing price of HK\$0.48 per placing share on 24 January 2025.

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 ordinary share as quoted on the Stock Exchange on 3 January 2025, being the date of the placing agreement; and (ii) a discount of approximately 8.4% to the average closing price of approximately HK\$0.524 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately prior to the date of the placing agreement.

The net proceeds (after deducting the placing commission and other related expenses and professional fees) from the 165,880,800 placing shares amounted to approximately HK\$78.82 million. The Company intends to apply such 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 metal business.

As at 30 June 2025, the aforesaid net proceeds use which are consistent with the intended use of proceeds has been applied as follows:

	<b><i>HK\$'000</i></b>
Net proceeds from placing shares	<b>78,823</b>
Utilized amount of proceeds during the period:	
– Repayment of shareholders' loan	<b>(26,052)</b>
– Developing of the metal business	<b>(52,771)</b>
	<hr/>
Unutilized amount of proceeds as at 30 June 2025	<hr/> <hr/> <b>–</b>

## **CAPITAL COMMITMENT AND CAPITAL EXPENDITURE**

As at 30 June 2025, the Group did not have any significant capital commitment and capital expenditure (31 December 2024: Nil).



## **FOREIGN EXCHANGE EXPOSURE**

Certain of the Group's subsidiaries primarily operate in Hong Kong and are exposed to foreign exchange risk arising from various currency exposures, primarily with respect to USD and RMB. Therefore, foreign exchange risk primarily arose from recognized assets and liabilities in our Group's Hong Kong subsidiaries when receiving or to receive foreign currencies from, or paying or to pay foreign currencies to, overseas. Considering that the Hong Kong dollar is pegged with the USD, the management is of the opinion that the currency exposure arising from USD transactions is not significant to the Group. The Group currently does not have a foreign currency hedging policy in respect of foreign currency transactions, assets and liabilities. The Group monitors its foreign currency exposure closely and will consider hedging significant foreign currency exposure should the need arise.

## **CONTINGENT LIABILITIES**

As at 30 June 2025, the Group did not have any material contingent liabilities, guarantees or any litigation or claims of material importance pending or threatened against any member of our Group (31 December 2024: Nil) and there has not been any material change in the contingent liabilities of the Group since 30 June 2025.

## **EMPLOYEES AND REMUNERATION POLICY**

As at 30 June 2025, the Group employed a total of 25 staff (31 December 2024: 24). The total of employee remuneration, including remuneration of the Directors, for the six months ended 30 June 2025 amounted to approximately HK\$6.2 million (for the six months ended 30 June 2024: approximately HK\$6.0 million).

The remuneration policy and package of the Group's employees are periodically reviewed. In addition to salaries, the Group provides staff benefits including medical and provident fund. Share options and bonuses are also available to employees of the Group at the discretion of the Directors and depending upon the financial performance of the Group.

## **DIVIDENDS**

The Board does not recommend the payment of interim dividend for the six months ended 30 June 2025 (2024: nil).

## **EVENTS AFTER THE REPORTING PERIOD**

There were no significant events after the reporting period of the Group.

## OTHER INFORMATION

### DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 June 2025, the interests and short positions of the Directors and the chief executive of the Company in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the “SFO”)), as recorded in the register required to be kept by the Company under section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to Rule 5.46 of the GEM Listing Rules, were as follows:

#### Long positions

##### *Ordinary shares and underlying ordinary shares of the Company*

Name of Directors/ chief executive	Nature of interests	Number of ordinary shares held	Total	Approximate percentage of shareholding (Note 1)
<b>Executive Director:</b>				
Zhang Siyuan (Note 2)	Interest of controlled corporation	192,980,000	192,980,000	19.39%

*Note 1:* The approximate percentage of shareholding was calculated based on the total number of ordinary shares in issue, being 995,284,800 shares as at 30 June 2025.

*Note 2:* Mr. Zhang Siyuan holds the shares through his wholly-owned company, FIAS (HONG KONG) CO., LIMITED.

#### Short Positions

As at 30 June 2025, no short positions of Directors or chief executive in the shares of the Company and its associated corporations were recorded in the register or as otherwise notified to the Company and the Stock Exchange pursuant to Rule 5.46 of the GEM Listing Rules.

## SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

So far as is known to the Company, as at 30 June 2025, the following persons/entities (other than the Directors and chief executive of the Company as disclosed above) have interest or short positions in the shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company pursuant to section 336 of the SFO were as follows:

Name	Nature of interests	Number of ordinary shares held	Approximate percentage of shareholding (Note 1)
FIAS (HONG KONG) CO., LIMITED (Note 2)	Beneficial owner	192,980,000	19.39%
Hon Pok	Beneficial owner	76,000,000	7.64%
Fortune Way Corporation Limited	Beneficial owner	69,188,882	6.95%

Notes:

1. The approximate percentage of shareholding was calculated based on the total number of ordinary shares in issue, being 995,284,800 shares as at 30 June 2025.
2. FIAS (HONG KONG) CO., LIMITED is wholly owned by Mr. Zhang Siyuan, the executive Director.

Save as disclosed above, no other interests or short positions of any persons/entities (other than the Directors and the chief executive of the Company) in the shares or underlying shares of the Company were recorded in the register or as otherwise notified to the Company and the Stock Exchange as at 30 June 2025.

## SHARE OPTIONS

The Company adopted a share option scheme on 22 July 2014 (the “**Share Option Scheme**”) and ended on the tenth anniversary of the date of listing of the Company’s shares on GEM of the Stock Exchange on 4 August 2014 (both dates inclusive). The last exercise date of the share options granted under the Share Option Scheme was lapsed on 9 April 2025, please refer to the Company’s 2024 annual report for details. A summary of the share options granted under the Share Option Scheme are as follows:

Type of Participants	Grant Date	Exercise price per share HK\$	Exercise period	Number of share options and underlying shares					
				Outstanding as at 1.1.2025	Granted	Exercised	Cancelled	Lapsed	Outstanding as at 30.6.2025
Employees	10.4.2015	0.78	10.4.2015 – 9.4.2025	160,000	–	–	–	160,000	–
Others	10.4.2015	0.78	10.4.2015 – 9.4.2025	120,000	–	–	–	120,000	–
				<u>280,000</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>280,000</u>	<u>–</u>

The fair value of equity-settled share options granted during the year ended 31 December 2015 was HK\$0.319 per option, amounted to approximately HK\$520,000 in aggregate. It was estimated as at 10 April 2015, being the date of grant, using the Black-Scholes Option Pricing Model and taking into account the terms and conditions upon which the options were granted. The significant assumptions and inputs used in the estimation of the fair value are as follows:

Share price at date of grant	HK\$0.78
Exercise price	HK\$0.78
Volatility	45.90%
Risk-free interest rate	1.09%
Dividend yield	0%
Expected life of option	5 years

The expected life of the options may not be necessarily indicative of the exercise pattern that may occur. The expected volatility reflects the assumption that the historical volatility of comparable companies are indicative of future trends, which may also not necessarily be the actual outcome.

Estimation of the value of the share options is subjective and uncertain as such values are subject to a number of assumptions and with regard to the limitation of the model. The expected volatility is based on the historical volatility reflecting the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome. The expected early exercise multiplier is also estimated and is not necessarily indicative of the exercise patterns that may occur.

All significant features necessary to be considered for the measurement of fair values of the share options granted during the period were incorporated into such measurement.

No share options was granted, exercised, lapsed and cancelled during six months ended 30 June 2025 (for the six months ended 30 June 2024: Nil). Given that no share option has been granted under the Share Option Scheme during the reporting period, it is not applicable for the Company to set out the number of shares that may be issued in respect of the share options granted under such scheme during the reporting period divided by the weighted average number of shares of the relevant class in issue for the reporting period.

The total number of share options available for grant under the Share Option Scheme as of 1 January 2025 and 30 June 2025 were Nil and Nil, respectively.

The remaining life of the share option granted on 10 April 2015 under the Share Option Scheme as at 30 June 2025 is 0. The remaining life of the Share Option Scheme is 0.

The Group did not recognised employee costs for the six months ended 30 June 2025 and 2024 in relation to share options granted by the Company.

## **PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES**

Save as disclosed above, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares) during the six months ended 30 June 2025. No treasury shares held by the Company as at 30 June 2025.

## **COMPETITION AND CONFLICT OF INTEREST**

During the six months ended 30 June 2025, to the best knowledge of the Directors, none of the Directors, management, shareholders or substantial shareholders of the Company or any of its respective associates had engaged in any business that competes or may compete, either directly or indirectly, with the businesses of the Group, as defined in the GEM Listing Rules, or has any other conflict of interests with the Group.

## **CORPORATE GOVERNANCE**

### **Corporate Governance Code**

During the six months ended 30 June 2025, to the best knowledge of the Board, the Company had complied with all the code provisions set out in Part 2 of the Corporate Governance Code contained in Appendix C1 of the GEM Listing Rules.

### **Code of Conduct Regarding Securities Transactions by Directors**

The Company has adopted a code of conduct regarding securities transactions carried out by Directors, that is not laxer than relevant standards of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules. Having made specific enquiries to all Directors, they confirmed they had complied with the standards of dealings and the code of conduct regarding securities transactions carried out by Directors adopted by the Company throughout the six months ended 30 June 2025.

### **Audit Committee**

The Company established the Audit Committee on 22 July 2014 with written terms of reference that was amended and adopted with effect from 2 January 2019 in compliance with D.3.3 of the Code Provisions. The duties of the Audit Committee include reviewing, in draft form, our annual report and accounts, interim report and, if prepare for publication, quarterly report and providing advice and comments to the Board. In this regard, members of the Audit Committee will liaise with the Board, our senior management and auditors. The Audit Committee will also consider any significant or usual items that are, or may need to be, reflected in such reports and accounts and give consideration to any matters that have been raised by our accounting staff, compliance officers or auditors. Members of the Audit Committee are also responsible for reviewing our Company's financial reporting process, risk management and internal control systems.

As at the date of this announcement, the Audit Committee comprises three independent non-executive Directors, namely Ms. Wu Liyan (Chairlady), Mr. Yeung Chun Wa and Mr. Tian Yuan.

The Audit Committee has reviewed this interim results announcement, including the unaudited condensed consolidated interim financial statements of the Group for the six months ended 30 June 2025, prior to recommending them to the Board for approval.

### **Remuneration Committee**

The Company established the remuneration committee (the “**Remuneration Committee**”) on 22 July 2014 with written terms of reference in compliance with E.1.2 of the Code Provisions. Amongst other things, the primary duties of the Remuneration Committee are to make recommendations to the Board on remuneration packages of all of our executive Directors and senior management, including benefits in kind, pension rights and compensation payments, any compensation payable for loss or termination of their office or appointment, and make recommendations to the Board on remuneration of independent non-executive Directors.

As at the date of this announcement, the Remuneration Committee comprises one executive Director, namely Mr. Wang Wendong, and two independent non-executive Directors, namely Ms. Wu Liyan (Chairlady) and Mr. Tian Yuan.

### **Nomination Committee**

The Company established the nomination committee (the “**Nomination Committee**”) on 22 July 2014 with written terms of reference that was amended and adopted with effect from 2 January 2019 in compliance with B.3.1 of the Code Provisions. The Nomination Committee is mainly responsible for making recommendations to the Board on appointment and succession planning of our Directors. During the period, the diversity of the Board members was achieved by considering of a number of aspects, including but not limited to gender, age, culture and education background, professional experience, skills, knowledge and length of service of each Director. The Company recognises and embraces the benefits of diversity of the Board members. It endeavors to ensure that the Board has a balance of skills, experience and diversity of perspectives appropriate to the requirements of the Company’s business.

As at the date of this announcement, the Nomination Committee comprises two executive Directors, namely Mr. Zhang Siyuan (Chairman) and Mr. Wang Wendong and three independent non-executive Directors, namely Ms. Wu Liyan, Mr. Yeung Chun Wa and Mr. Tian Yuan.

## **Executive Committee**

The Company established the executive committee (the “**Executive Committee**”) on 19 December 2016 with written terms of reference. The Executive Committee is mainly responsible for monitoring the formulation, revision and implementation of the Company’s strategic plan and monitor the operation of its subsidiaries.

As at the date of this announcement, the Executive Committee comprises three executive Directors, namely Mr. Zhang Siyuan (Chairman), Mr. Wang Wendong and Mr. Fung Chi Kin and one independent non-executive Director, namely Mr. Tian Yuan.

## **CHANGES IN DIRECTORS’ INFORMATION**

Changes in the Directors’ biographical information since the date of 2024 annual report of the Company and as at the date of approval of this announcement is set out below:

On 31 March 2025, Mr. Fung Chi Kin appointed as an independent non-executive director of Waton Financial Limited (Stock Code: WTF, whose shares are listed on NASDAQ in the United States).

Save as disclosed above, there is no change of information of each Director that is required to be disclosed under Rule 17.50A(1) of the GEM Listing Rules since the publication of the 2024 annual report of the Company.

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

Hong Kong, 29 August 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, Ms. Wu Liyan, Mr. Yeung Chun Wa and Mr. Tian Yuan.*