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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)**

**DISCLOSEABLE TRANSACTION**  
**DISPOSAL OF INVESTMENT**  
**IN AN ASSOCIATED COMPANY**

**THE DISPOSAL**

The Board announces that on 24 November 2023, the Company (as Vendor) entered into the Agreement with the Purchaser regarding the sale of the Sale Shares to the Purchaser at the Consideration of RMB10,000.

Following Completion, the Target Company, which holds 40% equity in the Associated Company as its sole investment, will cease to be a subsidiary of the Company and the financial results of the Target Company will no longer be consolidated in future financial statements of the Group. As a result of the Disposal, the Group will not be required to equity account for the loss of the Associated Company with effect from Completion.

**GEM LISTING RULES IMPLICATIONS**

As the highest applicable percentage ratio (as defined under Rule 19.07 of the GEM Listing Rules) in respect of the Disposal is more than 5% but less than 25%, the Disposal constitutes a discloseable transaction of the Company and is subject to the notification and announcement requirements under Chapter 19 of the GEM Listing Rules.

## **INTRODUCTION**

The Board announces that on 24 November 2023, the Company (as Vendor) entered into the Agreement with the Purchaser regarding the sale of the Sale Shares to the Purchaser.

## **THE AGREEMENT**

The principal terms of the Agreement are set out as follows:

### **Date**

24 November 2023

### **Parties**

- (i) the Company (as Vendor); and
- (ii) the Purchaser.

### **Assets to be disposed of**

Pursuant to the Agreement, the Vendor has agreed to sell, and the Purchaser has agreed to purchase, the Sale Shares, representing the entire issued share capital of the Target Company.

### **Consideration and payment**

The Consideration amount is RMB10,000 and will be payable by the Purchaser in cash to a designated bank account of the Vendor within 3 days from the date of signing of the Agreement.

Such Consideration was determined by the parties to the Agreement after arm's length negotiations with reference to, among others, (i) the recorded net losses of the Target Company for the two years ended 31 December 2022; (ii) the net liabilities position of the Target Company as at 30 September 2023; and (iii) the paid-up capital of the Target Company of HK\$10,000.

## Completion

Pursuant to the Agreement, Completion is not subject to any condition precedent and will take place on the date on which the Consideration is fully settled by the Purchaser.

## INFORMATION ON THE TARGET COMPANY

The Target Company is an investment holding company incorporated in Hong Kong with limited liability. The Target Company holds, as its sole investment, 40% equity in the Associated Company, which is accounted for as an investment in associate in the financial statements of the Group. Save for the holding of the aforesaid investment, the Target Company does not have any operation.

Set out below is the financial information of the Target Company for the two years ended 31 December 2022, as extracted from its financial statements prepared in accordance with the Hong Kong Financial Reporting Standards:

|                      | <b>For the<br/>year ended<br/>31 December<br/>2021<br/>(audited)</b> | <b>For the<br/>year ended<br/>31 December<br/>2022<br/>(audited)</b> |
|----------------------|--|--|
| Loss before taxation | HK\$1,433,009  | HK\$5,351,610  |
| Loss after taxation  | HK\$1,433,009  | HK\$5,351,610  |

The unaudited net liabilities of the Target Company as at 30 September 2023 amounted to approximately HK\$1,551,361.

## FINANCIAL EFFECTS OF THE DISPOSAL

The Group is expected to recognise a gain of approximately HK\$1,562,321 from the Disposal, which is calculated based on the Consideration amount of RMB10,000 (equivalent to approximately HK\$10,960) and the unaudited net liabilities of the Target Company as at 30 September 2023 of approximately HK\$1,551,361. The actual gain or loss in connection with the Disposal may be different from the above and will be determined based on the financial position of the Target Company as at Completion.

Following Completion, the Target Company, which holds 40% equity in the Associated Company as its sole investment, will cease to be a subsidiary of the Company and the financial results of the Target Company will no longer be consolidated in future financial statements of the Group.

The proceeds from the Disposal will be used to defray the transaction costs of the Disposal.

Reference is also made to the third quarterly report of the Company (the “**Q3 Report**”) for the nine months ended 30 September 2023 (“**Q3 2023**”). As disclosed in the Q3 Report, excluding the share of loss of the Associated Company, the Group recorded a net profit attributable to owners of the Group of approximately HK\$1 million for Q3 2023 and a net profit attributable to owners of the Group of approximately HK\$1.55 million for the three months ended 30 September 2023. As a result of the Disposal, the Group will not be required to equity account for the loss of the Associated Company with effect from Completion.

The Board is of the view that with the continued recovery and growth of the Group’s operating segments, particularly the Group’s metal business and proactive efforts by the Group to fine-tune and expand its operations (as detailed in the Company’s quarterly update announcement of 15 November 2023 and the Q3 Report), the Group has already achieved a sustainable and viable business model.

## **INFORMATION ON THE PARTIES**

The Company is an investment holding company. The Group is principally engaged in the trading of metal and metal supply chain business in Hong Kong, the PRC and internationally, the provision of education management services in the PRC and the provision of money lending services in Hong Kong.

The Purchaser is a company incorporated in the PRC with limited liability, ultimately held by Mr. Luo JianPing (a PRC individual), and is principally engaged in resource recycling and related technology research and development. To the best of the Directors’ knowledge, information and belief having made all reasonable enquiry, the Purchaser and its ultimate beneficial owner are Independent Third Parties.

## **REASONS FOR AND BENEFITS OF THE DISPOSAL**

As the Target Company and its associated investment had been loss-making in recent years, the Directors consider that the Disposal is a good opportunity for the Group to divest and realise such investments.

In view of the above, the Directors consider that the entering into of the Agreement and the terms of the Disposal, including the Consideration, are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

## **GEM LISTING RULES IMPLICATIONS**

As the highest applicable percentage ratio (as defined under Rule 19.07 of the GEM Listing Rules) in respect of the Disposal is more than 5% but less than 25%, the Disposal constitutes a discloseable transaction of the Company and is subject to the notification and announcement requirements under Chapter 19 of the GEM Listing Rules.

## CONTINUED SUSPENSION OF TRADING

At the request of the Company, trading in the shares of the Company 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 reminded to refer to the update announcements published by the Company from time to time on the status of resumption and business and operation updates.

## DEFINITIONS

In this announcement, the following expressions shall have the meanings set out below unless the context requires otherwise:

|                       |  |
|-----------------------|--|
| “Agreement”           | the agreement dated 24 November 2023 entered into between the Vendor and the Purchaser in relation to the Disposal   |
| “associate(s)”        | has the meaning ascribed to it under the GEM Listing Rules   |
| “Associated Company”  | Loco Precious Metal Limited, a company incorporated in Hong Kong with limited liability principally engaged in the trading of metal in Hong Kong                                       |
| “Board”               | the board of Directors   |
| “Company” or “Vendor” | 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 of the Stock Exchange (Stock Code: 8162) |
| “Completion”          | completion of the Disposal pursuant to the Agreement   |
| “connected person(s)” | has the meaning ascribed to it under the GEM Listing Rules   |
| “Consideration”       | RMB10,000, being the consideration for the Sale Shares   |
| “Director(s)”         | the director(s) of the Company   |
| “Disposal”            | the disposal of the Sale Shares by the Vendor to the Purchaser pursuant to the terms and conditions of the Agreement   |
| “GEM”                 | the GEM operated by the Stock Exchange   |

|                                |   |
|--------------------------------|---|
| “GEM Listing Rules”            | the Rules Governing the Listing of Securities on GEM  |
| “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 PRC  |
| “Independent Third Party(ies)” | person(s) who or company(ies) together with its/their ultimate beneficial owner(s) which is/are third party(ies) independent of the Company and its connected person(s)                   |
| “PRC”                          | the People’s Republic of China, which for the purpose of this announcement, shall exclude Hong Kong, the Macao Special Administrative Region of the People’s Republic of China and Taiwan |
| “Purchaser”                    | Chengdu Chaoyang Huashen Environmental Protection Technology Limited* (成都朝陽華深環保科技有限公司), a company incorporated in the PRC with limited liability, and an Independent Third Party          |
| “RMB”                          | Renminbi yuan, the lawful currency of the PRC   |
| “Sale Shares”                  | 10,000 shares of HK\$1.00 each in the share capital of the Target Company, representing the entire issued share capital of the Target Company   |
| “Shareholder(s)”               | registered holder(s) of shares of the Company   |
| “Stock Exchange”               | The Stock Exchange of Hong Kong Limited   |
| “Target Company”               | New Eagle International Limited (新揚國際有限公司), a company incorporated in Hong Kong with limited liability, and a wholly-owned subsidiary of the Company as at the date of this announcement  |
| “%”                            | per cent  |

*For illustration purpose, conversion of RMB into HK\$ is based on the exchange rate of RMB1.00 to HK\$1.096 and does not constitute a representation that any amount in RMB or HK\$ has been, could have been or may be converted at such a rate or at any other rates.*

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

Hong Kong, 24 November 2023

*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](http://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](http://www.locohkholdings.com).*

\* *For identification purposes only*