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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)

**CLARIFICATION ANNOUNCEMENT
IN RELATION TO THE ANNUAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2014**

Reference is made to the annual report of Loco Hong Kong Holdings Limited (the “**Company**”) for the year ended 31 December 2014 (the “**Annual Report**”) published on the websites of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and the Company on 26 March 2015.

Unless otherwise defined, capitalized terms used in this announcement shall have the same meanings as defined in the Annual Report.

The Board would like to clarify and provide information on the share option scheme (the “**Scheme**”) of the Company under Rule 23.09 of the Rules Governing the Listing of Securities on the Growth Enterprise Market (“**GEM Listing Rules**”) of the Stock Exchange.

Share Option Scheme

The purpose of the Scheme is to provide incentive or reward for Eligible Participants (defined below) for their contribution or potential contribution to the Company and its subsidiaries (the “**Group**”).

The board of directors (the “**Board**”) of the Company may, subject to and in accordance with the provisions of the Scheme and the GEM Listing Rules, at its discretion, grant options to any full-time or part-time employees, consultants or potential employees, consultants, executives or officers (including executive, non-executive and independent non-executive directors) of the Group, and any suppliers, customers, consultants, agents and advisers, who in the absolute discretion of the Board has contributed or will contribute to the Group (collectively “**Eligible Participants**”).

As at 31 December 2014, the total number of shares (the “**Shares**”) of the Company available for issue under the Scheme was 40,000,000 Shares, representing 10% of total number of Shares in issue.

The Board shall not grant options to any Eligible Participant if the acceptance of those options would result in the total number of Shares issued and to be issued to that participant on exercise of his options during any 12-month period up to the offer date exceeding 1% of the total number of Shares then in issue.

There is no general requirement that an option must be held for any minimum period before it can be exercised. The period during which an option may be exercised in accordance with the terms of the Scheme shall be the period of time to be notified by the Board to each grantee, which the Board may in its absolute discretion determine, save that such period shall not be more than ten years commencing on the date upon which the vesting period as described in the respective grantee's offer document commences.

Upon acceptance of an option to subscribe for Shares granted pursuant to the Scheme, the Eligible Participant shall pay HK\$1.00 to the Company by way of consideration for the grant. The option will be offered for acceptance for a period of 14 days from the date on which the option is granted.

The exercise price shall be determined by the Board but in any event shall be at least the highest of (i) the official closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the date on which the option is offered (the "**Offer Date**"); and (ii) the average of the official closing prices of the Shares as stated in the Stock Exchange's daily quotation sheets for the five business days immediately preceding the Offer Date.

The Scheme shall be valid and effective for a period commencing from the date on which the Scheme was conditionally adopted by an ordinary resolution of the shareholder of the Company on 22 July 2014 and ending on the tenth anniversary of the date of listing of the Company's shares on the Growth Enterprise Market of the Stock Exchange on 4 August 2014 (both dates inclusive), after which no further option will be granted but the provisions of the Scheme shall remain in full force and effect in all other respects to the extent necessary to give effect to the exercise of any options granted prior thereto or otherwise as may be required in accordance with the provisions of the Scheme and options granted prior thereto but not yet exercised shall continue to be valid and exercisable in accordance with the Scheme. The remaining life of the Scheme as at 31 December 2014 was about 9.6 years.

The above clarification does not affect any other information contained in the Annual Report.

By order of the Board
Loco Hong Kong Holdings Limited
Felipe Tan
Chairman

Hong Kong, 5 August 2015

Executive Directors:

Mr. Felipe Tan (Chairman)

Ms. Chau Mei Fan

Independent non-executive Directors:

Mr. Chan Ka Ling Edmond

Mr. Tang Cornor Kwok Kau

Ms. Tsang Wai Chun Marianna

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market (“GEM”) of The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquires, 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 GEM website on the “Latest Company Announcements” page at www.hkgem.com for at least seven days from the date of its publication and on the Company’s website at www.locohongkong.com.