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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)

CONVERSION OF CONVERTIBLE BONDS

Reference is made to the announcement of Loco Hong Kong Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) dated 23 June 2016 and 15 July 2016 (the “**Announcements**”) in relation to the placing of convertible bonds (the “**Convertible Bonds**”) under general mandate. Capitalised terms used herein shall have the same meaning as defined in the Announcements unless the context other requires.

The board (the “**Board**”) of directors (the “**Directors**”) of the Company announces that the Company received conversion notices (the “**Conversion Notice**”) from Convertible Bonds Placees (the “**Placees**”) in respect of the exercise of the conversion rights attached to the Convertible Bonds in an aggregate principal amount of HK\$20,700,000 at the Conversion Price of HK\$0.46 per Share (the “**Conversion**”). As a result of the Conversion, on 12 July 2017, the Company allotted and issued 45,000,000 Conversion Shares (the “**Conversion Shares**”) in aggregate to the Placees. The Conversion Shares ranks pari passu with all the existing Shares at the date of allotment and among themselves in all respects. The outstanding principal amount of the Convertible Bonds was HK\$16,100,000 immediately after the Conversion.

The issued share capital of the Company has been increased to 445,170,000 Shares upon allotment and issue of the Conversion Shares.

SHAREHOLDING STRUCTURE OF THE COMPANY

The shareholding structure of the Company (i) immediately before the Conversion; and (ii) upon

completion of the Conversion and as at the date of this announcement is set out below:

	Immediately before the Conversion		Upon completion of the Conversion and as at the date of this announcement	
	<i>No. of Shares</i>	<i>Approximately %</i>	<i>No. of Shares</i>	<i>Approximately %</i>
<i>Substantial shareholders</i>				
Hon Pok	76,000,000	18.99%	76,000,000	17.07%
GobiMin Silver Limited (Note)	40,260,000	10.06%	40,260,000	9.04%
Wan Yiming	22,220,000	5.55%	22,220,000	4.99%
<i>Public shareholders</i>				
Placees	-	-	45,000,000	10.11%
Other public shareholders	261,690,000	65.40%	261,690,000	58.79%
	<u>400,170,000</u>	<u>100.00%</u>	<u>445,170,000</u>	<u>100.00%</u>

Note: Mr. Felipe Tan, an executive Director, directly and indirectly owned 68.59% equity interest in GobiMin Inc. which held 100% equity interests in GobiMin Investments Limited, which in turn held 100% equity interests in GobiMin Silver Limited. Accordingly, Mr. Felipe Tan is deemed to be interested in 40,260,000 Shares of the Company. Also, Mr. Tan was granted by the Company 250,000 share options on 10 April 2015 pursuant to the Company's option scheme.

By Order of the Board
Loco Hong Kong Holdings Limited
Zhu Hongguang
Chairman

Hong Kong, 12 July 2017

Executive Directors:

Mr. Zhu Hongguang (Chairman)

Mr. Zha Jianping (Chief Executive Officer)

Mr. Felipe Tan

Independent non-executive Directors:

Ms. Dai Meihong

Dr. Wang Lin

Ms. Tsang Wai Chun Marianna

This announcement, for which the directors of the Company 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 of the Company, 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 GEM website on the “Latest Company Announcements” page for at least seven days from the date of its posting and the Company website at www.locohkholdings.com.