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## TOKYO CHUO AUCTION HOLDINGS LIMITED

東京中央拍賣控股有限公司

*(Incorporated in Hong Kong with limited liability)*

**(Stock code: 1939)**

### PROFIT WARNING

This announcement is made by the Company pursuant to Rule 13.09(2) of the Listing Rules and the Inside Information Provisions under Part XIVA of the SFO. The Board wishes to inform Shareholders and potential investors of the Company that, based on the Board's preliminary review of the unaudited consolidated management accounts of the Group for the nine months ended 31 December 2018 and other information currently available to the Board, it is expected that the Group's adjusted net profit after tax (after adding back the one-off listing expenses and fair value change of convertible notes) for the FY 2019 will record a substantial decline as compared to the adjusted net profit after tax (after adding back the one-off listing expenses) for the FY2018.

**Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.**

This announcement is made by Tokyo Chuo Auction Holdings Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the “**SFO**”).

Based on the preliminary review of the unaudited consolidated management accounts of the Group for the nine months ended 31 December 2018 and other information currently available to the board (“**Board**”) of directors (“**Directors**”) of the Company, the Board wishes to inform shareholders of the Company (“**Shareholders**”) and potential investors that, it is expected that the Group's adjusted net profit after tax (after adding back the

one-off listing expenses and fair value change of convertible notes) for the year ending 31 March 2019 (“FY 2019”) will record a substantial decline as compared to the adjusted net profit after tax (after adding back the one-off listing expenses) for the year ended 31 March 2018 (“FY2018”). The substantial decline of the financial results of the Group is mainly due to (i) the total hammer price for the FY 2019 (including the estimated total hammer price for the upcoming auction of the Group as assessed by the management of the Group) is expected to be lower than that of the FY2018, which is mainly affected by the unpredictability in the market demand, value and conditions for artworks and development of art auction market in general; and (ii) the increase in operating costs including marketing expenses, rental expenses, staff expenses and additional costs incurred after the listing of the Company.

The information contained in this announcement is only based on the preliminary review by the Board of the unaudited consolidated management accounts of the Group for the nine months ended 31 December 2018 and other information currently available to the Board, and is not based on information or figures audited or reviewed by the auditors of the Company and is subject to finalisation and adjustments where necessary. The actual final results of the Group for FY 2019, which would be subject to actual performance of the forthcoming auction, the private sales and inventory sales of artworks and the actual expenses incurred, may be different from what is disclosed in this announcement. Where more relevant information is available to the Board for ascertaining the financial position and performance in relation to the final results for FY 2019, a further announcement will, as necessary, be published. Shareholders and potential investors should read the annual results announcement of the Company for FY 2019, which is expected to be published before the end of June 2019.

**Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.**

By order of the Board  
**Tokyo Chuo Auction Holdings Limited**  
東京中央拍賣控股有限公司  
**Ando Shokei**  
*Chairman*

Hong Kong, 18 February 2019

*As at the date of this announcement, the executive Directors are Mr. Ando Shokei, Mrs. Ando Eri, Mr. Katsu Bunkai, Mr. Sun Hongyue and Mr. Yau Chung Hang; the non-executive Director is Mr. Yang Yi Chung; and the independent non-executive Directors are Mr. Chung Kwok Mo John, Ms. Lam Suk Ling Shirley and Mr. Chun Chi Man.*