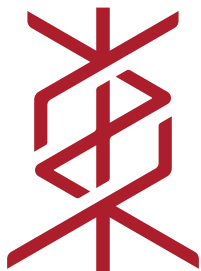


*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*



**東京中央拍賣控股有限公司**  
TOKYO CHUO AUCTION HOLDINGS LIMITED

*(Incorporated in Hong Kong with limited liability)*

**(Stock code: 1939)**

**INTERIM RESULTS ANNOUNCEMENT  
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2019**

**FINANCIAL HIGHLIGHTS**

- The unaudited consolidated revenue of the Group for the six months ended 30 September 2019 amounted to approximately HK\$69.2 million, increased by approximately 10.0% as compared with the same period last year (six months ended 30 September 2018: approximately HK\$62.9 million).
- The unaudited consolidated profit attributable to the owners of the Company for the six months ended 30 September 2019 amounted to approximately HK\$6.1 million (six months ended 30 September 2018: loss of approximately HK\$13.7 million).
- For the six months ended 30 September 2019, the basic and diluted profit per share were HK\$1.22 cents (six months ended 30 September 2018: basic and diluted loss per share: HK\$3.65 cents).
- The Board does not recommend the payment of an interim dividend for the six months ended 30 September 2019 (six months ended 30 September 2018: Nil).

The board (the “Board”) of directors (the “Directors”) of Tokyo Chuo Auction Holdings Limited (the “Company”) is pleased to present the unaudited consolidated interim results of the Company and its subsidiaries (collectively, the “Group”) for the six months ended 30 September 2019 (the “Reporting Period”) together with the comparative figures for the corresponding period in 2018.

**INTERIM CONDENSED CONSOLIDATED INCOME STATEMENT**  
**FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2019**

		<b>Unaudited</b>	
		<b>Six months ended</b>	
		<b>30 September</b>	
		<b>2019</b>	<b>2018</b>
	<i>Note</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
<b>Revenue</b>	5	<b>69,168</b>	62,917
Cost of services	8	<b>(16,457)</b>	(19,447)
Cost of sales of goods	8	<b>(1,621)</b>	—
		<hr/>	<hr/>
<b>Gross profit</b>		<b>51,090</b>	43,470
Other losses — net	6	<b>(42)</b>	(4,080)
Other income	7	<b>1,023</b>	2,953
Selling and distribution expenses	8	<b>(16,862)</b>	(18,994)
Administrative expenses	8	<b>(27,024)</b>	(35,495)
		<hr/>	<hr/>
<b>Operating profit/(loss)</b>		<b>8,185</b>	(12,146)
Finance income	9	<b>389</b>	89
Finance costs	9	<b>(311)</b>	(193)
Share of result of an associate		<b>579</b>	—
		<hr/>	<hr/>
<b>Profit/(loss) before income tax</b>		<b>8,842</b>	(12,250)
Income tax expense	10	<b>(2,854)</b>	(1,370)
		<hr/>	<hr/>
<b>Profit/(loss) for the period</b>		<b>5,988</b>	(13,620)
		<hr/>	<hr/>
<b>Profit/(loss) attributable to:</b>			
Owners of the Company		<b>6,104</b>	(13,699)
Non-controlling interests		<b>(116)</b>	79
		<hr/>	<hr/>
		<b>5,988</b>	(13,620)
		<hr/>	<hr/>
<b>Earnings/(loss) per share for profit/(loss)</b>			
attributable to owners of the Company			
Basic and diluted ( <i>HK cents</i> )	11	<b>HK1.22 cents</b>	(HK3.65 cents)
		<hr/>	<hr/>

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

*FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2019*

	<b>Unaudited</b>	
	<b>Six months ended</b>	
	<b>30 September</b>	
	<b>2019</b>	<b>2018</b>
	<i>HK\$'000</i>	<i>HK\$'000</i>
<b>Profit/(loss) for the period</b>	<u>5,988</u>	<u>(13,620)</u>
<b>Other comprehensive income/(loss):</b>		
<i>Item that may be reclassified subsequently to profit or loss</i>		
Currency translation reserve	<u>908</u>	<u>(4,690)</u>
<b>Total other comprehensive income/(loss) for the period, net of tax</b>	<u>908</u>	<u>(4,690)</u>
<b>Total comprehensive income/(loss) for the period</b>	<u><u>6,896</u></u>	<u><u>(18,310)</u></u>
<b>Total comprehensive income/(loss) for the period attributable to:</b>		
Owners of the Company	6,980	(17,985)
Non-controlling interests	<u>(84)</u>	<u>(325)</u>
	<u><u>6,896</u></u>	<u><u>(18,310)</u></u>

**INTERIM CONDENSED CONSOLIDATED BALANCE SHEET**  
**AS AT 30 SEPTEMBER 2019**

		<b>Unaudited</b>	Audited
		<b>30 September</b>	31 March
		<b>2019</b>	2019
	<i>Note</i>	<b>HK\$'000</b>	<b>HK\$'000</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment		<b>11,195</b>	10,942
Intangible assets		<b>558</b>	590
Investment in an associate		<b>9,079</b>	—
Deferred income tax assets		<b>89</b>	1
Right-of-use assets		<b>21,733</b>	—
Pledged bank deposits		<b>4,000</b>	—
Deposits and prepayments	14	<b>4,347</b>	10,943
		<u><b>51,001</b></u>	<u>22,476</u>
<b>Current assets</b>			
Inventories		<b>23,785</b>	20,898
Trade and other receivables	13	<b>275,448</b>	225,367
Deposits and prepayments	14	<b>16,633</b>	14,841
Tax recoverable		—	10,599
Pledged bank deposits		<b>20,300</b>	20,300
Cash and cash equivalents		<b>164,464</b>	236,522
		<u><b>500,630</b></u>	<u>528,527</u>
<b>Total assets</b>		<u><b>551,631</b></u>	<u>551,003</u>
<b>EQUITY</b>			
<b>Equity attributable to owners of the Company</b>			
Share capital	15	<b>169,730</b>	169,730
Reserves		<b>107,734</b>	110,556
		<u><b>277,464</b></u>	<u>280,286</u>
<b>Non-controlling interests</b>		<u><b>4,270</b></u>	<u>6,602</u>
<b>Total Equity</b>		<u><b>281,734</b></u>	<u>286,888</u>

		<b>Unaudited</b>	Audited
		<b>30 September</b>	31 March
		<b>2019</b>	2019
	<i>Note</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Other payable		—	6,884
Finance lease liabilities	16	<b>219</b>	359
Lease liabilities	16	<b>15,870</b>	—
Borrowings	16	<b>6,371</b>	2,603
Deferred income tax liabilities		<b>2,574</b>	2,574
		<u><b>25,034</b></u>	<u>12,420</u>
<b>Current liabilities</b>			
Trade and other payables and accruals	17	<b>197,661</b>	213,301
Finance lease liabilities	16	<b>356</b>	422
Lease liabilities	16	<b>6,292</b>	—
Borrowings	16	<b>32,172</b>	32,439
Current income tax liabilities		<b>8,382</b>	5,533
		<u><b>244,863</b></u>	<u>251,695</u>
<b>Total liabilities</b>		<u><b>269,897</b></u>	<u>264,115</u>
<b>Total equity and liabilities</b>		<u><b>551,631</b></u>	<u>551,003</u>

## **NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION**

### **1 GENERAL INFORMATION**

Tokyo Chuo Auction Holdings Limited (the “Company”) is a limited liability company incorporated in Hong Kong. The address of the Company’s registered office is Room 2601, 26/F, Wing on Centre, No. 111 Connaught Road Central, Hong Kong.

The Company is an investment holding company. The Company’s subsidiaries principally engage in the provision of auction and related services as well as artwork sales in Hong Kong and Japan.

The Company’s shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

This interim condensed consolidated financial information is presented in Hong Kong dollars (“HK\$’000”) unless otherwise stated and has been approved for issue by the Board on 28 November 2019.

### **2 BASIS OF PREPARATION**

This interim condensed consolidated financial information for the six months ended 30 September 2019 has been prepared in accordance with Hong Kong Accounting Standard (“HKAS”) 34, “Interim financial reporting” issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). The interim condensed consolidated financial information should be read in conjunction with the annual financial statements for the year ended 31 March 2019, which have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”).

The financial information relating to the year ended 31 March 2019 that is included in the interim condensed consolidated financial information for the six months ended 30 September 2019 as comparative information does not constitute the Company’s statutory annual consolidated financial statements for that 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 (Cap. 622) is as follows:

The Company has delivered the financial statements for the year ended 31 March 2019 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Hong Kong Companies Ordinance (Cap. 622).

The Company's auditor has reported on those financial statements. The auditor's report was unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its report; and did not contain a statement under sections 406(2), 407(2) or (3) of the Hong Kong Companies Ordinance (Cap. 622).

### **3 CHANGE IN ACCOUNTING POLICIES**

During the Period, the Group has adopted all the new and revised HKFRSs issued by the HKICPA that are relevant to its operations and effective for its accounting period beginning on 1 April 2019. HKFRSs comprise Hong Kong Financial Reporting Standards; Hong Kong Accounting Standards ("HKASs"), and Interpretations.

Except as described below for the HKFRS 16, the Directors considered that the application of the other new and revised HKFRSs and HKASs does not have material impact on the Group's current period's financial statements.

New standard and amendment to standard mandatory for the first time for the financial year beginning 1 April 2019 and was not early adopted in prior years.

#### **HKFRS 16, "Leases"**

The Group has adopted HKFRS 16 retrospectively from 1 April 2019, as permitted under the specific transitional provisions in the standard. The reclassification and the adjustments arising from the new leasing rules are therefore recognised in the opening consolidated statement of financial position on 1 April 2019.

**(a) Adjustments recognised on adoption of HKFRS 16**

The following table shows the adjustments for change in accounting policy recognised for each individual line item. Line items that were not affected by the changes have not been included. As a result, the sub-totals and totals disclosed cannot be recalculated from the numbers provided.

	<b>Audited</b> <b>31 March</b> <b>2019</b> <b>As originally</b> <b>presented</b> <i>HK\$'000</i>	<b>HKFRS 16</b> <i>HK\$'000</i>	<b>Unaudited</b> <b>1 April</b> <b>2019</b> <b>Restated</b> <i>HK\$'000</i>
<b>Condensed consolidated interim statement of financial position (extract)</b>			
<b>Non-current assets</b>			
Right-of-use assets	—	24,924	24,924
Deferred income tax assets	1	88	89
<b>Non-current liabilities</b>			
Lease liabilities	—	19,003	19,003
<b>Current liabilities</b>			
Trade, and other payables and accruals	213,301	248	213,549
Lease liabilities	—	6,292	6,292
<b>Equity</b>			
Reserves	<u>110,556</u>	<u>(531)</u>	<u>110,025</u>

On adoption of HKFRS 16, the Group recognised lease liabilities in relation to leases which has previously been classified as “operating leases” under the principles of HKAS 17 “Leases”. These liabilities were measured at the present value of the remaining lease payments, disclosed using the lessee’s incremental borrowing rate as of 1 April 2019. These lessee’s weighted average incremental borrowing rate applied to the lease liabilities on 1 April 2019 was at 1.82%.



	<b>2019</b> <b>HK\$'000</b>
Operating lease commitments disclosed as at 31 March 2019	13,092
Less: discounted using the lessee's incremental borrowing rate the date of initial application	(1,743)
Less: short-term leases recognised on a straight-line basis as expense	(1,423)
Add: adjustments as a result of a different treatment of extension and termination options	<u>15,369</u>
	<u><u>25,295</u></u>
	<b>2019</b> <b>HK\$'000</b>
<b>Leases liabilities recognised as 1 April 2019</b>	
Current lease liabilities	6,292
Non-current lease liabilities	<u>19,003</u>
	<u><u>25,295</u></u>

The recognised right-of-use assets relate to the properties' leases.

*Impact on segment disclosures, profit before income tax and earnings per share*

Segment assets as at 30 September 2019 increased as a result of the change in the accounting policy. Right-of-use assets are now included in segment assets, whereas right-of-use assets were previously excluded from segment assets. Segment assets increased by HK\$21,733,000 as result of the application of the HKFRS 16.

Profit before income tax and earnings per share for profit attributable to owners of the Company for the six months ended 30 September 2019 decreased by HK\$58,000 and 0.01 HK cents respectively as a result of the application of HKFRS 16.

### *Practical expedients applied*

In applying HKFRS 16 for the first time, the Group has used the following practical expedients permitted by the standard:

- the use of a single discount rate to a portfolio of leases within reasonably similar characteristics;
- reliance on previous assessments on whether leases are onerous;
- the use of recognition exemption to lease with a remaining lease term of less than 12 months at 1 April 2019;
- the exclusion of initial direct costs for the measurement of the right-of-use asset at the date initial application; and
- the use of hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

The Group has also elected not to reassess whether a contract is, or contains a lease at the date of initial application. Instead, for contracts entered into before the transition date of the Group relied on its assessment made applying HKAS 17.

Before the adoption of the standard, leases of premises were classified as finance or operating leases. Payments made under operating leases (net of any incentives received from the lessor) were charged to profit or loss on a straightline basis over the period of the lease.

From 1 April 2019, leases are recognised as right-of-use assets and corresponding liabilities at the date at which the leased asset is available for use by the Group. Each lease payment is allocated between the lease liabilities and finance costs. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payment that are based on an index or a rate;
- amounts expected to be payable by the lessee under residual value guarantees;
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives received; and
- any initial direct costs.

Payments associated with short-term leases is recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

When the Group is an intermediate lessor, it accounts for the head lease and the sublease as two separate contracts. The sub-lease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset.

#### *Extension and termination options*

Extension and termination options are included in a number of property leases across the Group. These terms are used to maximise operational flexibility in terms of managing contracts. The majority of extension and termination options held are exercisable only by the Group and not by the respective lessor.

The Group has not early applied new and revised HKFRSs that have been issued but are not yet effective for the financial period beginning on 1 April 2019. The Directors anticipate that the new and revised HKFRSs will be adopted in the Group's unaudited condensed consolidated financial statements when they become effective. The Group is in the process of assessing, where applicable, the potential effect of all new and revised HKFRSs that will be effective in future periods but is not yet in a position to state whether these new and revised HKFRSs would have a material impact on its results of operations and financial position.

#### **4 ESTIMATES**

The preparation of interim condensed consolidated financial information requires management to make judgements, estimates and assumptions, the estimates and judgements are continually evaluated and are based on historical experience and other factors including expectation on future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

In preparing the interim condensed consolidated information, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were similar to those that were applied to the consolidated financial statements for the year ended 31 March 2019.

#### **5 REVENUE AND SEGMENT INFORMATION**

##### **Segment information**

The chief operating decision-maker has been identified as the executive directors of the Group ("CODM") that make strategic decisions. The CODM assesses the performance of the operating segments based on a measure of gross profit for the purpose of allocating resources.

The management has identified two operating segments based on the types of revenues, namely (i) operation of art auction and related business and (ii) artwork sales.

The segment information provided to the CODM for current period and comparative figures are as follows:

	<b>Unaudited</b>		
	<b>For the six months ended</b>		
	<b>30 September 2019</b>		
	<b>Art auction and related business HK\$'000</b>	<b>Artwork sales HK\$'000</b>	<b>Total HK\$'000</b>
Segment revenue from external customers	67,584	1,584	69,168
Costs of service/sales of goods	<u>(16,457)</u>	<u>(1,621)</u>	<u>(18,078)</u>
<b>Segment results</b>	<b>51,127</b>	<b>(37)</b>	<b>51,090</b>
Other losses — net			(42)
Other income			1,023
Selling and distribution expenses			(16,862)
Administrative expenses			<u>(27,024)</u>
<b>Operating profit</b>			<b>8,185</b>
Share of result of an associate			579
Finance income — net			<u>78</u>
<b>Profit before income tax</b>			<b>8,842</b>
Income tax expense			<u>(2,854)</u>
<b>Profit for the period</b>			<b><u><u>5,988</u></u></b>

Unaudited  
For the six months ended  
30 September 2018

	Art auction and related business <i>HK\$'000</i>	Artwork sales <i>HK\$'000</i>	Total <i>HK\$'000</i>
Segment revenue from external customers	62,917	—	62,917
Costs of service/sales of goods	<u>(19,447)</u>	<u>—</u>	<u>(19,447)</u>
<b>Segment results</b>	43,470	—	43,470
Other losses — net			(4,080)
Other income			2,953
Selling and distribution expenses			(18,994)
Administrative expenses			<u>(35,495)</u>
<b>Operating loss</b>			(12,146)
Finance costs — net			<u>(104)</u>
<b>Loss before income tax</b>			(12,250)
Income tax expense			<u>(1,370)</u>
<b>Loss for the period</b>			<u><u>(13,620)</u></u>

## Revenue

	Unaudited	
	Six months ended	
	30 September	
	2019	2018
	<i>HK\$'000</i>	<i>HK\$'000</i>
Revenue from art auction and related business	<b>67,584</b>	62,917
Artwork sales	<b>1,584</b>	—
	<b><u>69,168</u></b>	<b><u>62,917</u></b>

All customers individually accounted for less than 10% of the Group's revenue during the six months ended 30 September 2019 (2018: same).

All revenue of the Group are recognized at a point in time.

Revenue from external customers, by geographical area, is as follows:

	Unaudited	
	Six months ended	
	30 September	
	2019	2018
	<i>HK\$'000</i>	<i>HK\$'000</i>
Hong Kong	<b>29,056</b>	23,350
Japan	<b>40,112</b>	39,567
	<b><u>69,168</u></b>	<b><u>62,917</u></b>

Information on segment assets and segment liabilities of the Group are not reviewed by CODM for the purpose of resource allocation and performance assessment as at 30 September 2019 and 31 March 2019 nor otherwise regularly provided to the CODM. As a result, no analysis of segment assets and segment liabilities is presented.

Non-current assets, other than deferred income tax assets and right-of-use assets, by geographical area are as follows:

	<b>Unaudited 30 September 2019 HK\$'000</b>	<b>Audited 31 March 2019 HK\$'000</b>
Hong Kong	8,602	3,883
Japan	11,498	18,592
Taiwan	9,079	—
	<u>29,179</u>	<u>22,475</u>

## 6 OTHER LOSSES — NET

	<b>Unaudited Six months ended 30 September 2019 HK\$'000</b>	<b>2018 HK\$'000</b>
Exchange (loss)/gain	(19)	125
Loss on disposal of property, plant and equipment, net	(23)	(99)
Changes in cash surrender values of key management life insurance contracts	—	(16)
Changes in fair value of convertible notes	—	(4,090)
	<u>(42)</u>	<u>(4,080)</u>

## 7 OTHER INCOME

Other income mainly represented the gains from release of key management life insurance contracts for the Reporting Period.



## 8 EXPENSES BY NATURE

	<b>Unaudited</b>	
	<b>Six months ended</b>	
	<b>30 September</b>	
	<b>2019</b>	<b>2018</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
Cost of inventories sold	<b>1,621</b>	—
Rental and setup for auction and preview exhibition venues	<b>11,618</b>	12,886
Catalogue expenses	<b>3,926</b>	5,540
Operating lease rentals in respect of rented premises	—	3,865
Agency commissions	<b>1,321</b>	904
Advertising and promoting expenses	<b>2,562</b>	3,590
Transportation	<b>1,456</b>	1,695
Travelling	<b>2,219</b>	2,623
Entertainment	<b>908</b>	1,528
Business hospitality	<b>1,127</b>	1,199
Professional and consulting fee	<b>2,515</b>	1,775
Employee benefit expenses	<b>17,087</b>	15,193
Depreciation of property, plant and equipment	<b>1,474</b>	1,351
Depreciation of right-of-use assets	<b>4,712</b>	—
Amortisation of intangible assets	<b>31</b>	35
Auditor's remuneration — audit service	—	400
Listing expenses	—	13,466
Bank charges	<b>2,810</b>	554
Insurance	<b>687</b>	908
Provision for bad and doubtful debts	—	526
Others	<b>5,890</b>	5,898
	<hr/>	<hr/>
Total costs of service/sales of goods, selling and distribution expenses and administrative expenses	<b>61,964</b>	73,936
	<hr/> <hr/>	<hr/> <hr/>

## 9 FINANCE INCOME/(COSTS) — NET

	Unaudited Six months ended 30 September	
	2019	2018
	HK\$'000	HK\$'000
<i>Finance income:</i>		
Interest income on bank deposits	<u>389</u>	<u>89</u>
<i>Finance costs:</i>		
Imputed interest expense on lease liabilities	(220)	—
Interest expense on finance lease liabilities	(7)	(14)
Interest expense on bank borrowings	<u>(84)</u>	<u>(179)</u>
	<u>(311)</u>	<u>(193)</u>
Finance income/(costs) — net	<u><u>78</u></u>	<u><u>(104)</u></u>

## 10 INCOME TAX EXPENSE

The amount of income tax charged to the interim condensed consolidated income statements represent:

	Unaudited Six months ended 30 September	
	2019	2018
	HK\$'000	HK\$'000
Current income tax		
Hong Kong	1,135	504
Japan	<u>1,719</u>	<u>907</u>
Total current income tax	<u>2,854</u>	<u>1,411</u>
Deferred income tax	<u>—</u>	<u>(41)</u>
Income tax expense	<u><u>2,854</u></u>	<u><u>1,370</u></u>

**(a) Hong Kong profit tax**

For the period ended 30 September 2019 and 30 September 2018, the Group is eligible to nominate one Hong Kong incorporated entity in the Group to be chargeable at the two tiered profits tax rates, whereby profits tax will be chargeable on the first HK\$2 million of assessable profits at 8.25% and assessable profits above this threshold will be subject to a rate of 16.5%. Hong Kong profits tax of other Hong Kong incorporated entities in the Group has been provided for at the rate of 16.5% on the estimated assessable profits.

**(b) Japan corporate income tax**

Japan corporate income tax has been calculated on the estimated assessable profit for the period ended 30 September 2019 at the rates of taxation prevailing in Japan in which the Group operates. The Group is subject to national corporate income tax, inhabitant tax, and enterprise tax in Japan, which in aggregate, resulted in effective statutory income tax rate of approximately 35.0% for the period ended 30 September 2019 (2018: 35.3%).

**11 EARNINGS/(LOSS) PER SHARE**

Basic earnings/(loss) per share is calculated by dividing the profit/(loss) attributable to the Company's owners by the weighted average number of ordinary shares in issue during the period ended 30 September 2019 and 2018.

	<b>Unaudited</b>	
	<b>Six months ended</b>	
	<b>30 September</b>	
	<b>2019</b>	<b>2018</b>
Profit/(loss) attributable to the owners of the Company (HK\$'000)	<b>6,104</b>	(13,699)
Weighted average number of ordinary shares in issue ('000) (note)	<b>500,000</b>	374,967
Basic earnings/(loss) per share (HK cents)	<b>HK 1.22 cents</b>	(HK 3.65 cents)

No diluted earnings/(loss) per share has been presented because there was no potential dilutive ordinary share in issue for the six months ended 30 September 2019 and 2018.

*Note:*

On 11 October 2018, pursuant to a shareholders' resolution, a bonus issue of 374,967,178 shares were allotted upon successful listing of the Company. The weighted average number of shares for the purpose of basic and diluted loss per share for the six months ended 30 September 2018 in connection with such bonus shares issued has been retrospectively adjusted to the beginning of the period.

## 12 DIVIDEND

### *Interim dividend*

The Company does not recommend the payment of an interim dividend for the six months ended 30 September 2019 (six months ended 30 September 2018: Nil).

### *Final dividend*

Dividends paid and payable to equity shareholders of the Company attributable to the previous financial year, paid and payable during the interim period

	<b>Six months ended</b>	
	<b>30 September</b>	
	<b>2019</b>	<b>2018</b>
	<b><i>HK\$'000</i></b>	<b><i>HK\$'000</i></b>
Final dividend in respect of the previous financial year ended 31 March 2019, approved and payable during the interim period, of HK 2 cents (31 March 2018: Nil) per share	<b>10,000</b>	—

### 13 TRADE AND OTHER RECEIVABLES

	<b>Unaudited</b>	Audited
	<b>As at</b>	As at
	<b>30 September</b>	31 March
	<b>2019</b>	2019
	<b>HK\$'000</b>	<b>HK\$'000</b>
Trade receivables	<b>22,194</b>	47,574
Less: loss allowances	<b>(543)</b>	(540)
	<hr/>	<hr/>
Trade receivables — net	<b>21,651</b>	47,034
Other receivables		
— Receivables from buyers in respect of auction and related business ( <i>note 1</i> )	<b>139,804</b>	150,187
— Consignor advances ( <i>note 2</i> )	<b>112,806</b>	23,917
— Input value-added tax recoverable	<b>893</b>	2,877
— Others	<b>294</b>	1,352
	<hr/>	<hr/>
Trade and other receivables	<b>275,448</b>	225,367
	<hr/> <hr/>	<hr/> <hr/>

*Note:*

1. Other receivables from buyers in respect of auction and related business represent the purchase price of the auction articles receivable on behalf of sellers.
2. Included in other receivables are advances of HK\$112,806,000 made to certain sellers as at 30 September 2019 (31 March 2019: HK\$23,917,000) upon consignment of auction articles to the Group. These advances are interest free.

The Group grants credit period 7 days for commission receivables and 30 days for receivables from artwork sales. The ageing analysis of trade receivables based on invoice date, before provision for impairment, as at 30 September 2019 and 31 March 2019, was as follows:

	<b>Unaudited</b> <b>As at</b> <b>30 September</b> <b>2019</b> <i>HK\$'000</i>	Audited As at 31 March 2019 <i>HK\$'000</i>
Within 30 days	7,757	23,828
1 to 3 months	—	12,500
3 to 6 months	9,748	6,920
6 to 12 months	3,063	4,301
Over 1 year	1,626	25
	<u>22,194</u>	<u>47,574</u>

The Group does not hold any collateral as security over these debtors as at 30 September 2019 and 31 March 2019.

#### 14 DEPOSITS AND PREPAYMENTS

	<b>Unaudited</b> <b>As at</b> <b>30 September</b> <b>2019</b> <i>HK\$'000</i>	Audited As at 31 March 2019 <i>HK\$'000</i>
<i>Current portion:</i>		
Deposits and prepayments	<u>16,633</u>	<u>14,841</u>
<i>Non-current portion:</i>		
Rental and other deposits	4,347	4,380
Key management life insurance contracts	—	6,563
	<u>4,347</u>	<u>10,943</u>
	<u>20,980</u>	<u>25,784</u>

As at 30 September 2019 and 31 March 2019, the fair value of deposits of the Group approximately their carrying amounts.

## 15 SHARE CAPITAL

Ordinary Shares	Number of Shares	Share capital <i>HK\$'000</i>
Issued and fully paid: At 30 September 2019 (unaudited) and 31 March 2019 (audited)	<u>500,000,000</u>	<u>169,730</u>

## 16 BORROWINGS, FINANCE LEASE LIABILITIES AND LEASE LIABILITIES

	Unaudited As at 30 September 2019 <i>HK\$'000</i>	Audited As at 31 March 2019 <i>HK\$'000</i>
<b>Non-current</b>		
Bank borrowings ( <i>Note a</i> )	6,371	2,603
Finance lease liabilities ( <i>Note b</i> )	219	359
Lease liabilities ( <i>Note c</i> )	<u>15,870</u>	<u>—</u>
	<u>22,460</u>	<u>2,962</u>
<b>Current</b>		
Bank borrowings ( <i>Note a</i> )	32,172	32,439
Finance lease liabilities ( <i>Note b</i> )	356	422
Lease liabilities ( <i>Note c</i> )	<u>6,292</u>	<u>—</u>
	<u>38,820</u>	<u>32,861</u>
<b>Total borrowings</b>	<u>61,280</u>	<u>35,823</u>

### (a) Bank borrowings

As at 30 September 2019, the bank borrowings are denominated in Hong Kong dollars and JPY of approximately HK\$18,500,000 and HK\$20,043,000 respectively.

As at 31 March 2019, all the bank borrowings are denominated in JPY.

The effective interest rate of bank borrowings as at 30 September 2019 were 0.3% to 2.25% per annum (31 March 2019: 0.3% to 0.8%).

These facilities are secured by certain bank deposits with an aggregate amount of HK\$24.3 million (31 March 2019: HK\$20.3 million).

As at 30 September 2019 and 31 March 2019, the fair value of bank borrowings approximately their carrying amounts.

**(b) Finance lease liabilities**

As at 30 September 2019, the finance leases are secured by the Group's motor vehicles with carrying values of HK\$572,000 (31 March 2019: HK\$763,000). The rights to the leased asset are reverted to the lessors in the event of default of the lease liabilities by the Group.

**(c) Lease liabilities**

The Group has adopted HKFRS 16 retrospectively from 1 April 2019, leases are recognised as right-of-use assets and corresponding liabilities at the date at which the leased asset is available for use by the Group. As at 30 September 2019, lease liabilities of approximately HK\$22,162,000 were recognised by the Group.

**17 TRADE AND OTHER PAYABLES AND ACCRUALS**

	<b>Unaudited</b> <b>As at</b> <b>30 September</b> <b>2019</b> <i>HK\$'000</i>	<b>Audited</b> <b>As at</b> <b>31 March</b> <b>2019</b> <i>HK\$'000</i>
Trade payables	—	5,467
Payables to sellers in respect of auction and related business	<b>177,691</b>	197,526
Deposits received, other payables and accruals	<b>19,970</b>	17,192
	<b>197,661</b>	220,185
Less: Non-current portion:		
Other payables	—	(6,884)
Current portion	<b>197,661</b>	213,301



Payables to sellers in respect of auction and related business represent the purchase price of auction articles payables to sellers less seller commissions and other auction related receivables.

As at 30 September 2019 and 31 March 2019, all financial trade and other payables of the Group were non-interest bearing, and their fair value approximately to their carrying amounts due to their short maturities.

The non-current other payables represents the Group's obligation to pay for the employee benefits of a director of the Group, which was settled during the Reporting Period.

Ageing analysis of the trade payables at the respective balances sheet date on invoice date are as follows:

	<b>Unaudited</b>	Audited
	<b>As at</b>	As at
	<b>30 September</b>	31 March
	<b>2019</b>	2019
	<b><i>HK\$'000</i></b>	<b><i>HK\$'000</i></b>
Within 30 days	<u>—</u>	<u>5,467</u>

## MANAGEMENT DISCUSSION AND ANALYSIS

### BUSINESS REVIEW

We are a well-recognised auction house of Chinese and Japanese artworks in Hong Kong and Japan. We specialise in auctioneering a wide variety of artworks with emphasis on Chinese and Japanese artworks, including Chinese paintings and calligraphies, Chinese antiques and Japanese and Chinese tea wares. With over nine years of operating experience in the Chinese and Japanese art auction industry, we have grown into a well-recognised and trusted auction brand in Hong Kong and Japan, through our “Tokyo Chuo Auction” brand. We are successfully recognised by our customers for the appealing auction artworks and our quality auction services to establish the market position, well-known brand name and strong competitiveness. We take pride in being an auction house with the ability to explore and introduce the historical and cultural significance as well as the commercial value of each artwork.

On 11 October 2018, the Company’s shares were successfully listed (“Listing”) on the Main Board of The Stock Exchange of Hong Kong Limited. This is a significant step of the milestones of the Group. Hong Kong, as a world-renowned financial centre, is also an important hub of arts and culture in Asia. The successful Listing in Hong Kong has provided the Company with a wider platform, which enables us to rapidly and intensively expand into the Asian and even the global market and ignites the strong growth engine for the Company’s future development.

During the Reporting Period, the Company recorded a revenue of approximately HK\$69.2 million (six months ended 30 September 2018: approximately HK\$62.9 million), while the profit attributable to the owners of the Company was approximately HK\$6.1 million (six months ended 30 September 2018: loss of approximately HK\$13.7 million), and the basic and diluted earnings per share were approximately HK 1.22 cents (six months ended 30 September 2018: loss per share were approximately HK 3.65 cents). The profit attributable to owners of the Company for the six months ended 30 September 2019 is mainly attributable to (i) the increase in an aggregate hammer price which resulted in the increase in revenue, (ii) the decrease in administrative expenses due to the absence of the listing expense and other one-off nature expenses related to the Listing and (iii) the absence of loss from change in fair value of convertible notes, which were recorded in 2018, during the Reporting Period. For the purpose of strengthening the long term customers relationship, as well as further developing the artworks sourcing network, more expenses have been incurred for these aspect during the Reporting Period, and the management strongly believes that such expenditure will be beneficial to the Group in the coming years.

During the Reporting Period, the Group obtained satisfactory results in each auction session, with 3,381 pieces of auction lots launched in the two auctions in Hong Kong and Japan, 2,042 pieces of which were successfully sold, representing a successful rate of 60.4% and achieved an aggregate hammer price of approximately HK\$148.7 million and JPY2,005.9 million respectively. The Group is actively developing other new auction segments to increase the number and sources of customers and pursue new business opportunities.

In May 2019, the Group held the 2019 Spring Auction in Hong Kong, during which 8 sessions were held, including “An Important Folding Fan Collection from the Han Le Xuan” (李曉湖先生珍藏成扇專場), “Fine Chinese Modern Painting and Calligraphy (中國近現代書畫), “An Important Collection of Fine Chinese Paintings from Takahashi Kouhou” (御風而行日本書畫家高橋廣峰重要收藏), “An Extremely Rare and Important Collection of Buddhist Sutras (遺珠拾粹宋元明佛教經曲珍藏), offering 988 auction lots, out of which 568 were sold at an aggregate hammer price of approximately HK\$148.7 million. As always, fineness continued to be the principle of this year’s Spring Auction in Hong Kong, featuring a small number of superior auction lots which are well-documented art treasures handed down from generation to generation. In “ICHIGO ICHIE — The Art of Tea Ceremony” (一期一會聽茶會), among the tea auction lots, there was a cylinder of pu’er tea, weighing 2,236 grams, called “A Tong of Fuyuanchang Hao Pu’er Tea Cakes, 1920” (1920年福元昌號), which was sold at a record-breaking price of HK\$23.5 million, a new historic high in tea prices. Meanwhile, the Group actively developed other new auction segments to increase the number and sources of customers and pursue new business. For example, there was a new session called “Art in Life” (“當代藝術潮玩”) in the auction held by the Group in 2019.

In early September 2019, the Group also launched the 2019 Autumn Auction in Japan, during which we held 8 sessions, including “Important Chinese Art — Evening Sale” (長物中國藝術品夜場), “An Important Collection of Fine Chinese Paintings from Takahashi Kouhou” (御風而行日本書畫家高橋廣峰重要收藏), “Chinese Works of Art” (古玩珍藏), “Refined Delightfulness” (佳趣滿堂), offering 2,393 auction lots, out of which 1,474 were sold at an aggregate hammer price of approximately JPY2,005.9 million.

In order to promptly extend our coverage in other key regions in terms of Asian artworks and Taiwan has always been a pivotal area of antiques and artworks capturing a large pool of collectors and artists, on 1 April 2019, the Company entered into a non-legally binding memorandum of understanding with an independent third party in relation to the proposed acquisition by the Group of 34% of the entire issued shares in Mu Chun Tang Auction Co., Ltd (沐春堂拍賣股份有限公司), a Taiwan-based auction house (the “Proposed Acquisition”). The Proposed Acquisition was completed on 16 August 2019. Through the Proposed Acquisition, the management believes that it will create synergy for both parties, in further developing into Taiwan art market and establishing a deeper cultural network. We believe that the brand of the Group will gain

wider recognition in Taiwan and entire Asia through the Proposed Acquisition. Please refer to the section headed “Significant Investments/Material Acquisitions and Disposals” below for further details.

## **REVENUE**

During the Reporting Period, the revenue of the Group was approximately HK\$69.2 million (six months ended 30 September 2018: approximately HK\$62.9 million), which represents an increase of approximately HK\$6.3 million or approximately 10.0% as compared to the same period in 2018. Such increase in revenue was mainly due to the increase in an aggregate hammer price for the Reporting Period.

## **GROSS PROFIT**

During the Reporting Period, gross profit of the Group increased by approximately 17.5% to approximately HK\$51.1 million (six months ended 30 September 2018: approximately HK\$43.5 million) as compared to the same period in 2018. Meanwhile, the gross profit margin escalated to approximately 73.9% for the Reporting Period from approximately 69.1% recorded for the same period in 2018. Such increase in gross profit and gross profit margin was mainly due to the increase in revenue and decrease in rental and expenses for setup for auction and preview exhibition venues and catalogue during the Reporting Period.

## **OTHER LOSSES — NET**

Other losses, net decreased by approximately HK\$4.1 million to approximately HK\$42,000. It was mainly attributable to the fair value of convertible notes of approximately HK\$4.1 million as one-off expenses was recognised for the six months ended 30 September 2018.

## **OTHER INCOME**

Other income mainly represented the gains from release of key management life insurance contracts for the Reporting Period.

## **SELLING AND DISTRIBUTION EXPENSES**

Selling and distribution expenses consist primarily of employee benefit expenses paid to the sales and marketing staff, advertising and promotion expenses, consultancy fee paid, transportation costs, travelling expenses, entertainment and business hospitality expenses. During the Reporting Period, approximately HK\$16.9 million of selling and distribution expenses were incurred and a decrease of approximately HK\$2.1 million was recorded. Such decrease was mainly due to the decrease in advertising and promotion expenses and entertainment for the Reporting Period.

## **ADMINISTRATIVE EXPENSES**

Administrative expenses mainly represent the employee benefit expenses, travelling expenses, rental expenses, depreciation and listing expenses. During the Reporting Period, the administrative expenses decreased by approximately 23.9% to approximately HK\$27.0 million (six months ended 30 September 2018: approximately HK\$35.5 million). Such decrease in administrative expenses was mainly attributable to one-off expenses related to listing of approximately HK\$13.5 million recorded in six months ended 30 September 2018.

## **FINANCE INCOME/(COSTS) — NET**

Net finance income recorded amounted to approximately HK\$389,000 (six months ended 30 September 2018: approximately HK\$89,000) and finance costs was approximately HK\$311,000 (six months ended 30 September 2018: approximately HK\$193,000) for the Reporting Period. The finance income mainly represents the interest income from bank deposit and finance costs represents the interest expenses on bank and other borrowings and imputed interest expense on lease liabilities.

## **INCOME TAX EXPENSES**

Profits tax has been provided for our companies in both Hong Kong and Japan at the applicable rates on the estimated assessable profits. Effective tax rate was approximately 32.2% (six months ended 30 September 2018: 23.8%) for the Reporting Period.

## **PROFIT ATTRIBUTABLE TO OWNERS OF THE COMPANY**

During the Reporting Period, the Company recorded a profit attributable to owners of the Company of approximately HK\$6.1 million (six months ended 30 September 2018: loss attributable to the owners of the Company of approximately HK\$13.7 million), which was mainly due to the listing expenses, change in fair value of convertible notes and other one-off expenses related to the listing were recorded for the six months ended 30 September 2018.

## **FINANCIAL POSITION AND LIQUIDITY**

The Group generally finances its operations with internally generated resources, banking facilities and net proceeds from the listing. As at 30 September 2019, the Group had net current assets of the approximately HK\$500.6 million (as at 31 March 2019: approximately HK\$528.5 million) while the Group's cash and cash equivalents amounted to approximately HK\$164.5 million (as at 31 March 2019: approximately HK\$236.5 million).

As at 30 September 2019, the Group has interest-bearing bank borrowings of approximately HK\$38.5 million (as at 31 March 2019: approximately HK\$35.0 million) and of which approximately HK\$32.2 million was repayable within one year.

As at 30 September 2019, the Group had finance lease liabilities of approximately HK\$575,000 (as at 31 March 2019: approximately HK\$0.8 million) and of which approximately HK\$356,000 was repayable within one year.

As at 30 September 2019, the Group's gearing ratio was calculated on the basis of the amount of interest-bearing borrowings less cash and cash equivalents divided by shareholders' equity and the Group was in net cash position (as at 31 March 2019, net cash position).

## **CAPITAL COMMITMENTS**

As at 30 September 2019, the Group had no any material capital commitment.

## **CONTINGENT LIABILITIES AND GUARANTEES**

As at 30 September 2019, the Group did not provide any guarantees for any third party and had no significant contingent liabilities.

## **SIGNIFICANT INVESTMENTS/MATERIAL ACQUISITIONS AND DISPOSALS**

On 1 April 2019, the Company entered into a non-legally binding memorandum of understanding with an independent third party in relation to the proposed acquisition by the Group of 34% of the entire issued shares in Mu Chun Tang Auction Co., Ltd (沐春堂拍賣股份有限公司), a Taiwan-based auction house (the "Proposed Acquisition"). A formal sale and purchase agreement was subsequently signed for the Proposed Acquisition with consideration of HK\$8.5 million and the Proposed Acquisition was completed on 16 August 2019.

Please refer to the announcements of the Company dated 1 April 2019 and 16 August 2019 for further details.

Save for above the Proposed Acquisition, there were no material acquisition or disposal of subsidiaries or associated companies of the Company during the Reporting Period.

## **TREASURY POLICIES**

The Group adopted a prudent strategy towards the treasury and funding policies, and attached high importance to the risk control and transactions directly related to the Group's principal business. Funds, primarily denominated in Japanese Yen and Hong Kong dollars, are normally placed with banks in short or medium term deposits for working capital of the Group.



## **DIVIDEND**

The Directors of the Company do not recommend the payment of an interim dividend for the Reporting Period.

## **CAPITAL STRUCTURE AND FOREIGN CURRENCY EXPOSURE**

During the Reporting Period, the Group's operation was mainly financed by funds generated from its operation, borrowings and net proceeds from the listing. As at 30 September 2019, the borrowings were mainly denominated in Hong Kong dollars and Japanese Yen, while the cash and cash equivalents held by the Group were mainly denominated in Japanese Yen and Hong Kong dollars. All of the Group's borrowings were floating rate borrowings and were pledged by bank deposits of approximately HK\$24.3 million to secure such bank facilities during the Reporting Period. The Group's revenue is mainly denominated in Japanese Yen and Hong Kong dollars, while its costs and expenses are mainly denominated Japanese Yen and Hong Kong dollars. As majority portion of the Group's assets, liabilities, revenues and payments during the Reporting Period were denominated in either Japanese Yen or Hong Kong dollars, and in view of the prevailing macro-economic environment, the Group may be exposed to the foreign exchange rate risk. The Group will closely monitor the volatility of foreign exchange rate and apply the appropriate hedging strategy as and when appropriate.

## **CHARGE ON ASSETS**

As at 30 September 2019, bank deposits amounting to HK\$24.3 million (31 March 2019: HK\$20.3 million) was pledged to a bank to secure general banking facilities granted to the Group.

## **EMPLOYEES AND EMOLUMENT POLICY**

As at 30 September 2019, the Group had 19, 20, 3 and 1 full-time staff based in Japan, Hong Kong, Taiwan and the PRC respectively. The Group's remuneration packages are generally structured with reference to market terms and individual merits. The Group operates a defined contribution retirement benefits scheme under the Mandatory Provident Fund Schemes Ordinance (Chapter 485 of the Laws of Hong Kong) for all of its employees in Hong Kong. Contributions are made based on a percentage of the employees' base salaries. The Group also made contributions to provident funds, elderly insurance, medical insurance, unemployment insurance and work-related injury insurance in accordance with applicable laws and regulations in Japan, Taiwan and the PRC respectively. The Group has adopted a share option scheme as a reward to eligible high-caliber employees and to attract similar high-quality personnel that are valuable to the Group. No share options have been granted under the share option scheme.

## **EVENTS AFTER THE REPORTING PERIOD**

There is no event will have material impact on the Group from the end of the Reporting Period to the date of this announcement.

## **PROSPECTS**

The year of 2019 has been a challenging and promising year for the Group, and we are determined to forge ahead against the market. Moreover, artworks have always been an investment tool of collectors and artwork investors around the world. In this connection, the Group rose up to the market challenges through continuous amid the hard time, expanding market and diversifying demands of collectors and clients.

The Group has been growing since its establishment and during the Reporting Period, the successful Listing in 2018 as a pioneering corporate with emphasis on artworks auction, expanding from Japan to the entire Asia. At present, it has established footholds in major cities in Asia with its business extending from Tokyo to Hong Kong and Taiwan. Moreover, in order to promptly extend our coverage in other key regions in terms of Asian artworks and become one of the international well-known auction houses with Chinese and Japanese art auction business in the future, We have actively explored potential customers and consolidated our competitive strengths in order to broaden the network of the collection community and facilitate the growth of auction business. In addition, the Group's marketing and brand promotion activities are integral parts of its effort to gain acclaim and build its reputation among the high net worth individuals in the Asia-Pacific region, which successfully strengthen brand image of the Group and raise our brand awareness. Further raising our brand awareness is key to the success of our future development.

In the future, the Group will aim at keeping stable growth and development, and continuously uphold its principle of sourcing excellent artworks with good provenance to explore and collect more valuable artworks for art enthusiasts in the artwork auction market. At the same time, we shall keep looking for apposite business partners for collaboration in auction events. Meanwhile, the management will also cooperate with other auction companies and consider to make strategic investments in artworks related business, which can help us to achieve synergies.

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

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's securities listed on the Stock Exchange during the six months ended 30 September 2019.



## **CORPORATE GOVERNANCE**

The Board has adopted the code provisions of the Corporate Governance Code (the “CG Code”) set out in Appendix 14 to the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”). The Board has reviewed the Company’s corporate governance practices and is satisfied that the Company has complied with the code provisions set out in the CG Code since Listing and up to the date of this announcement.

## **MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS**

The Company has adopted a code of conduct regarding Directors’ securities transactions on terms no less exacting than the required standard set out in the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) as set out in Appendix 10 to the Listing Rules. After specific enquiry made by the Company, all of the Directors confirmed that they have complied with the required standard set out in the Model Code and the code of conduct of the Company governing Directors’ securities transactions during the Reporting Period.

## **AUDIT COMMITTEE**

The Company has established an audit committee which comprises three independent non-executive Directors, namely, Ms. Lam Suk Ling Shirley, Mr. Chung Kwok Mo John, and Mr. Chun Chi Man. Ms. Lam Suk Ling Shirley is the chairlady of the audit committee. The audit committee of the Company has reviewed and discussed with the management of the Group on the unaudited interim condensed consolidated financial information of the Group for the Reporting Period, including the accounting principles and practices adopted by the Group, and discussed financial related matters.

## **PUBLICATION OF INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT**

This interim results announcement is published on the website of The Stock Exchange of Hong Kong Limited at [www.hkex.com.hk](http://www.hkex.com.hk) and on the website of the Company at [www.chuo-auction.com.hk](http://www.chuo-auction.com.hk). The interim report of the Company for the Reporting Period will be dispatched to shareholders of the Company and published on the aforementioned websites in due course in accordance with the Listing Rules.

## **APPRECIATION**

On behalf of the Board, I would like to take this opportunity to express my sincere gratitude to the shareholders of the Company, business partners and clients of the Group for their immense support and to the Group's management and staff for their dedication and commitment. I look forward to a successful year of 2020 with the help of you all.

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, 28 November 2019

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