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**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 2024**

**FINANCIAL HIGHLIGHTS**

- The unaudited consolidated revenue of the Group for the six months ended 30 September 2024 amounted to approximately HK\$31.9 million, decreased by approximately 0.9% as compared with the same period in 2023 (six months ended 30 September 2023: approximately HK\$32.2 million).
- The unaudited consolidated loss attributable to the owners of the Company for the six months ended 30 September 2024 amounted to approximately HK\$1.1 million (six months ended 30 September 2023: profit attributable to the owners of the Company of approximately HK\$1.6 million).
- For the six months ended 30 September 2024, the basic and diluted loss per share were HK0.23 cents (six months ended 30 September 2023: earnings per share were HK0.32 cents).
- The Board has resolved not to declare interim dividend for the six months ended 30 September 2024 (six months ended 30 September 2023: 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 2024 (the “**Reporting Period**”) together with the comparative figures for the corresponding period in 2023.

**INTERIM CONDENSED CONSOLIDATED INCOME STATEMENT**  
**FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2024**

|  |              | <b>Unaudited</b>        |                 |
|--|--------------|-------------------------|-----------------|
|  |              | <b>Six months ended</b> |                 |
|  |              | <b>30 September</b>     |                 |
|  |              | <b>2024</b>             | <b>2023</b>     |
|  | <i>Notes</i> | <i>HK\$'000</i>         | <i>HK\$'000</i> |
| <b>Revenue</b>   | 5            | <b>31,891</b>           | 32,194          |
| Cost of services   | 8            | <b>(2,811)</b>          | (2,051)         |
| Cost of sales of goods   | 8            | <b>(2,127)</b>          | (642)           |
|  |              | <hr/>                   | <hr/>           |
| <b>Gross profit</b>  |              | <b>26,953</b>           | 29,501          |
| Other losses — net   | 6            | <b>(109)</b>            | —               |
| Other income   | 7            | <b>484</b>              | 231             |
| Selling and distribution expenses  | 8            | <b>(10,297)</b>         | (10,910)        |
| Administrative expenses  | 8            | <b>(17,282)</b>         | (16,603)        |
|  |              | <hr/>                   | <hr/>           |
| <b>Operating (loss)/profit</b>   |              | <b>(251)</b>            | 2,219           |
| Finance income   | 9            | <b>219</b>              | 130             |
| Finance costs  | 9            | <b>(520)</b>            | (243)           |
| Share of result of an associate  |              | <b>(112)</b>            | 584             |
|  |              | <hr/>                   | <hr/>           |
| <b>(Loss)/profit before income tax</b>   |              | <b>(664)</b>            | 2,690           |
| Income tax expense   | 10           | <b>(440)</b>            | (1,001)         |
|  |              | <hr/>                   | <hr/>           |
| <b>(Loss)/profit for the period</b>  |              | <b>(1,104)</b>          | 1,689           |
|  |              | <hr/> <hr/>             | <hr/> <hr/>     |
| <b>(Loss)/profit attributable to:</b>  |              |                         |                 |
| Owners of the Company  |              | <b>(1,149)</b>          | 1,599           |
| Non-controlling interests  |              | <b>45</b>               | 90              |
|  |              | <hr/>                   | <hr/>           |
|  |              | <b>(1,104)</b>          | 1,689           |
|  |              | <hr/> <hr/>             | <hr/> <hr/>     |
| <b>(Loss)/earnings per share for (loss)/profit attributable to owners of the Company</b> |              |                         |                 |
| Basic and diluted (HK cents)   | 11           | <b>HK(0.23) cents</b>   | HK0.32 cents    |
|  |              | <hr/> <hr/>             | <hr/> <hr/>     |

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

*FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2024*

|   | <b>Unaudited</b>        |                 |
|---|-------------------------|-----------------|
|   | <b>Six months ended</b> |                 |
|   | <b>30 September</b>     |                 |
|   | <b>2024</b>             | <b>2023</b>     |
|   | <i>HK\$'000</i>         | <i>HK\$'000</i> |
| <b>(Loss)/profit for the period</b>                                       | <u><b>(1,104)</b></u>   | <u>1,689</u>    |
| <b>Other comprehensive profit/(loss):</b>                                 |                         |                 |
| <i>Item that may be reclassified subsequently to profit or loss</i>       |                         |                 |
| Exchange differences on translating foreign operations                    | <u><b>2,086</b></u>     | <u>(6,046)</u>  |
| <b>Total other comprehensive profit/(loss) for the period, net of tax</b> | <u><b>2,086</b></u>     | <u>(6,046)</u>  |
| <b>Total comprehensive profit/(loss) for the period</b>                   | <u><b>982</b></u>       | <u>(4,357)</u>  |
| <b>Total comprehensive profit/(loss) for the period attributable to:</b>  |                         |                 |
| Owners of the Company   | <b>789</b>              | (4,055)         |
| Non-controlling interests   | <u><b>193</b></u>       | <u>(302)</u>    |
|   | <u><b>982</b></u>       | <u>(4,357)</u>  |

**INTERIM CONDENSED CONSOLIDATED BALANCE SHEET**  
**AS AT 30 SEPTEMBER 2024**

|   |              | <b>Unaudited</b>      | Audited               |
|---|--------------|-----------------------|-----------------------|
|   |              | <b>30 September</b>   | 31 March              |
|   |              | <b>2024</b>           | 2024                  |
|   | <i>Notes</i> | <b>HK\$'000</b>       | <b>HK\$'000</b>       |
| <b>ASSETS</b>                                       |              |                       |                       |
| <b>Non-current assets</b>                           |              |                       |                       |
| Property, plant and equipment                       |              | 7,535                 | 8,341                 |
| Right-of-use assets                                 |              | 8,060                 | 9,978                 |
| Intangible assets                                   |              | 1,851                 | 2,246                 |
| Investment accounted for using the equity method    |              | 4,910                 | 5,010                 |
| Deferred income tax assets                          |              | 1,399                 | 1,337                 |
| Deposits and prepayments                            | 14           | 1,614                 | 1,586                 |
|   |              | <u>25,369</u>         | <u>28,498</u>         |
| <b>Current assets</b>                               |              |                       |                       |
| Inventories   |              | 133,799               | 128,588               |
| Financial assets at fair value                      |              | 2,500                 | 2,500                 |
| Trade and other receivables                         | 13           | 189,357               | 158,160               |
| Deposits and prepayments                            | 14           | 21,628                | 26,147                |
| Pledged bank deposits                               |              | 4,000                 | 4,000                 |
| Cash and cash equivalents                           |              | 55,613                | 48,744                |
|   |              | <u>406,897</u>        | <u>368,139</u>        |
| <b>Total assets</b>                                 |              | <u><b>432,266</b></u> | <u><b>396,637</b></u> |
| <b>EQUITY</b>                                       |              |                       |                       |
| <b>Equity attributable to owners of the Company</b> |              |                       |                       |
| Share capital                                       | 15           | 169,730               | 169,730               |
| Reserves  |              | 69,370                | 65,906                |
|   |              | <u>239,100</u>        | <u>235,636</u>        |
| <b>Non-controlling interests</b>                    |              | <u>3,503</u>          | <u>3,310</u>          |
| <b>Total Equity</b>                                 |              | <u><b>242,603</b></u> | <u><b>238,946</b></u> |

|                                       |              | <b>Unaudited</b>      | Audited         |
|---------------------------------------|--------------|-----------------------|-----------------|
|                                       |              | <b>30 September</b>   | 31 March        |
|                                       |              | <b>2024</b>           | 2024            |
|                                       | <i>Notes</i> | <i>HK\$'000</i>       | <i>HK\$'000</i> |
| <b>LIABILITIES</b>                    |              |                       |                 |
| <b>Non-current liabilities</b>        |              |                       |                 |
| Other payables                        | 17           | <b>1,200</b>          | 1,200           |
| Lease liabilities                     |              | <b>4,544</b>          | 6,519           |
| Borrowings                            | 16           | <b>25,412</b>         | 26,996          |
| Deferred income tax liabilities       |              | <b>2,054</b>          | 1,959           |
|                                       |              | <u><b>33,210</b></u>  | <u>36,674</u>   |
| <b>Current liabilities</b>            |              |                       |                 |
| Trade and other payables and accruals | 17           | <b>136,034</b>        | 101,557         |
| Lease liabilities                     |              | <b>4,178</b>          | 4,133           |
| Borrowings                            | 16           | <b>15,310</b>         | 14,602          |
| Current income tax liabilities        |              | <b>931</b>            | 725             |
|                                       |              | <u><b>156,453</b></u> | <u>121,017</u>  |
| <b>Total liabilities</b>              |              | <u><b>189,663</b></u> | <u>157,691</u>  |
| <b>Total equity and liabilities</b>   |              | <u><b>432,266</b></u> | <u>396,637</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**”).

The unaudited condensed consolidated financial statements have been prepared on the historical cost basis. The unaudited condensed consolidated financial statements are presented in Hong Kong Dollars (“**HK\$**”), which is the functional currency of the Company, and all values are rounded to the nearest thousands (“**HK\$’000**”), unless otherwise stated and have been approved for issue by the Board on 25 November 2024.

## 2 BASIS OF PREPARATION

This interim condensed consolidated financial information for the six months ended 30 September 2024 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 2024, which have been prepared in accordance with Hong Kong Financial Reporting Standards (“**HKFRSs**”).

The financial information relating to the financial year ended 31 March 2024 that is included in the interim condensed consolidated financial information for the six months ended 30 September 2024 as comparative information does not constitute the Company’s annual consolidated financial statements for that financial year but is derived from those financial statements. The annual consolidated financial statements for the year ended 31 March 2024 are available from the Company’s registered office. The auditors have expressed an unqualified opinion on those financial statements in their report dated 25 June 2024.

The unaudited condensed consolidated financial statements have not been audited by the Company's auditors, but have been reviewed by the Company's audit committee (the "Audit Committee").

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

Certain new and revised Hong Kong Financial Reporting Standards ("HKFRS(s)") have been issued. The Directors considered that the adoption of those new HKFRSs which are effective for the accounting periods beginning on 1 April 2024 will not have any material impact on the preparation and presentation of the results and financial conditions of the current period and previous periods.

For the HKFRSs that are not yet effective nor have not been early adopted, the Group is in the process of making an assessment of the potential impact of the newly issued HKFRSs.

### **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 and assumption 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 2024.

### **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 2024</b>   |  |                                  |
|   | <b>Operation of<br/>art auction<br/>and related<br/>business<br/><i>HK\$'000</i></b> | <b>Artwork<br/>sales<br/><i>HK\$'000</i></b> | <b>Total<br/><i>HK\$'000</i></b> |
| Segment revenue from external customers                               | 29,447   | 2,444  | 31,891                           |
| Costs of service/sales  | <u>(2,811)</u>   | <u>(2,127)</u>                               | <u>(4,938)</u>                   |
| <b>Segment results</b>  | <u>26,636</u>  | <u>317</u>                                   | <u>26,953</u>                    |
| Other losses — net  |  |  | (109)                            |
| Other income  |  |  | 484                              |
| Selling and distribution expenses                                     |  |  | (10,297)                         |
| Administrative expenses   |  |  | <u>(17,282)</u>                  |
| <b>Operating loss</b>   |  |  | <b>(251)</b>                     |
| Share of result of an associate accounted for using the equity method |  |  | (112)                            |
| Finance costs — net   |  |  | <u>(301)</u>                     |
| <b>Loss before income tax</b>   |  |  | <b>(664)</b>                     |
| Income tax expense  |  |  | <u>(440)</u>                     |
| <b>Loss for the period</b>  |  |  | <b><u><u>(1,104)</u></u></b>     |



Unaudited  
For the six months ended  
30 September 2023

|   | Operation of<br>art auction<br>and related<br>business<br><i>HK\$'000</i> | Artwork<br>sales<br><i>HK\$'000</i> | Total<br><i>HK\$'000</i> |
|---|---|-------------------------------------|--------------------------|
| Segment revenue from external customers                               | 31,495  | 699                                 | 32,194                   |
| Costs of service/sales  | <u>(2,051)</u>  | <u>(642)</u>                        | <u>(2,693)</u>           |
| <b>Segment results</b>  | <u>29,444</u>   | <u>57</u>                           | <u>29,501</u>            |
| Other income  |   |                                     | 231                      |
| Selling and distribution expenses                                     |   |                                     | (10,910)                 |
| Administrative expenses   |   |                                     | <u>(16,603)</u>          |
| <b>Operating Profit</b>   |   |                                     | 2,219                    |
| Share of result of an associate accounted for using the equity method |   |                                     | 584                      |
| Finance income — net  |   |                                     | <u>(113)</u>             |
| <b>Profit before income tax</b>                                       |   |                                     | 2,690                    |
| Income tax expense  |   |                                     | <u>(1,001)</u>           |
| <b>Profit for the period</b>  |   |                                     | <u><u>1,689</u></u>      |

**Revenue**

|   | Unaudited<br>Six months ended<br>30 September |                         |
|---|---|-------------------------|
|   | 2024<br><i>HK\$'000</i>                       | 2023<br><i>HK\$'000</i> |
| Revenue from art auction and related business | 29,447  | 31,495                  |
| Artwork sales                                 | <u>2,444</u>                                  | <u>699</u>              |
|   | <u><u>31,891</u></u>                          | <u><u>32,194</u></u>    |

All customers individually accounted for less than 10% of the Group's revenue during the six months ended 30 September 2024 (30 September 2023: same).

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

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

|           | <b>Unaudited</b>        |                 |
|-----------|-------------------------|-----------------|
|           | <b>Six months ended</b> |                 |
|           | <b>30 September</b>     |                 |
|           | <b>2024</b>             | 2023            |
|           | <i>HK\$'000</i>         | <i>HK\$'000</i> |
| Hong Kong | <b>14,399</b>           | 8,345           |
| Japan     | <b>17,492</b>           | 23,849          |
|           | <b>31,891</b>           | 32,194          |

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 2024 and 31 March 2024 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, by geographical area are as follows:

|           | <b>Unaudited</b>    | Audited         |
|-----------|---------------------|-----------------|
|           | <b>30 September</b> | 31 March        |
|           | <b>2024</b>         | 2024            |
|           | <i>HK\$'000</i>     | <i>HK\$'000</i> |
| Hong Kong | <b>10,497</b>       | 12,765          |
| Japan     | <b>8,563</b>        | 9,386           |
| Taiwan    | <b>4,910</b>        | 5,010           |
|           | <b>23,970</b>       | 27,161          |

## 6 OTHER LOSSES — NET

|               | Unaudited<br>Six months ended<br>30 September |                 |
|---------------|---|-----------------|
|               | 2024  | 2023            |
|               | <i>HK\$'000</i>                               | <i>HK\$'000</i> |
| Exchange loss | <u>109</u>                                    | <u>—</u>        |

## 7 OTHER INCOME

Other income mainly represented bidding deposits forfeited and penalties from the buyers and miscellaneous handling fees charged to customers during the Reporting Period (30 September 2023: bidding deposits forfeited and penalties from the buyers and miscellaneous handling fees charged to customers).

## 8 (LOSS)/PROFIT BEFORE INCOME TAX

|   | Unaudited<br>Six months ended<br>30 September |                 |
|---|---|-----------------|
|   | 2024  | 2023            |
|   | <i>HK\$'000</i>                               | <i>HK\$'000</i> |
| Cost of inventories sold  | 2,127   | 642             |
| Rental and setup costs for auction and preview<br>exhibition venues | 1,774   | 739             |
| Expenses relating to short term lease                               | 1,474   | —               |
| Employee benefit expenses   | 8,379   | 10,097          |
| Equity-settled share-based payment                                  | 2,675   | —               |
| Depreciation of property, plant and equipment                       | 1,442   | 941             |
| Depreciation of right-of-use assets                                 | 1,763   | 3,226           |
| Amortization of intangible assets                                   | <u>160</u>                                    | <u>173</u>      |

## 9 FINANCE (COSTS)/INCOME — NET

|   | Unaudited<br>Six months ended<br>30 September |                     |
|---|---|---------------------|
|   | 2024  | 2023                |
|   | <i>HK\$'000</i>                               | <i>HK\$'000</i>     |
| <b>Finance income:</b>                        |   |                     |
| Interest income on bank deposits              | 129   | 130                 |
| Interest income from consignor advance        | 90  | —                   |
|   | <u>219</u>                                    | <u>130</u>          |
| <b>Finance costs:</b>                         |   |                     |
| Interest expense on lease liabilities         | (244)   | (17)                |
| Interest expense on bank and other borrowings | (276)   | (226)               |
|   | <u>(520)</u>                                  | <u>(243)</u>        |
| <b>Finance costs — net</b>                    | <u><u>(301)</u></u>                           | <u><u>(113)</u></u> |

## 10 INCOME TAX EXPENSE

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

|                           | Unaudited<br>Six months ended<br>30 September |                     |
|---------------------------|---|---------------------|
|                           | 2024  | 2023                |
|                           | <i>HK\$'000</i>                               | <i>HK\$'000</i>     |
| Current income tax        |   |                     |
| — Hong Kong               | —   | —                   |
| — Japan                   | 440   | 887                 |
| — Taiwan                  | —   | 62                  |
|                           | <u>440</u>                                    | <u>949</u>          |
| Total current income tax  | 440   | 949                 |
| Deferred income tax       | —   | 52                  |
|                           | <u>—</u>                                      | <u>52</u>           |
| <b>Income tax expense</b> | <u><u>440</u></u>                             | <u><u>1,001</u></u> |

**(a) Hong Kong profit tax**

Hong Kong profits tax is calculated at 16.5% for the six months ended 30 September 2024 and 30 September 2023.

No Hong Kong profits tax was provided for the six months ended 30 September 2024 and 30 September 2023 as the Group did not derive any estimated assessable profits.

**(b) Japan corporate income tax**

Japan corporate income tax has been calculated on the estimated assessable profit for the six months ended 30 September 2024 and 30 September 2023 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 rates of approximately 33% for the Reporting Period (30 September 2023: 33%).

**(c) Taiwan income tax**

Taiwan income tax is calculated at 20% of the estimated assessable profits for both periods.

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

**Basic**

Basic (loss)/earnings per share is calculated by dividing the (loss)/profits attributable to the Company's owners by the weighted average number of ordinary shares in issue during the six months ended 30 September 2024 and 30 September 2023.

|   | <b>Unaudited</b>             |                            |
|---|------------------------------|----------------------------|
|   | <b>Six months ended</b>      |                            |
|   | <b>30 September</b>          |                            |
|   | <b>2024</b>                  | <b>2023</b>                |
|   | <b>HK\$'000</b>              | <b>HK\$'000</b>            |
| (Loss)/profits attributable to the owners of the Company (HK\$'000) | <u>(1,149)</u>               | <u>1,599</u>               |
| Weighted average number of ordinary shares in issue ('000)          | <u>500,000</u>               | <u>500,000</u>             |
| Basic (loss)/earnings per share (HK cents)                          | <u><b>HK(0.23) cents</b></u> | <u><b>HK0.32 cents</b></u> |

## Diluted

Diluted loss per share for the six months ended 30 September 2024 was the same as basic loss per share because the exercise of the Company's outstanding share options would have anti-dilutive effect (30 September 2023: was same as basic earnings per share because there was no potential ordinary shares in issue for the six months ended 30 September 2023).

## 12 DIVIDEND

No dividends have been paid or proposed during the six months ended 30 September 2024, nor has any dividend been proposed since the end of the reporting period (six months ended 30 September 2023: Nil).

## 13 TRADE AND OTHER RECEIVABLES

|  | Unaudited<br>As at<br>30 September<br>2024<br><i>HK\$'000</i> | Audited<br>As at<br>31 March<br>2024<br><i>HK\$'000</i> |
|--|---|---|
| Trade receivables  | 18,726  | 11,114  |
| Less: loss allowances  | <u>(3,736)</u>  | <u>(3,697)</u>  |
| Trade receivables — net  | 14,990  | 7,417   |
| Other receivables  |   |   |
| — Receivables from buyers in respect of auction and related business ( <i>Note (i)</i> ) | 97,329  | 83,835  |
| — Consignor advances ( <i>Note (ii)</i> )  | 66,997  | 63,021  |
| — Input value-added tax recoverable  | 1,061   | 227   |
| — Others   | <u>8,980</u>  | <u>3,660</u>  |
| Trade and other receivables  | <u>189,357</u>  | <u>158,160</u>  |

As at 30 September 2024 and 31 March 2024, the fair value of trade and other receivables of the Group were approximately the same as their carrying amounts.

*Notes:*

- (i) Other receivables from buyers in respect of auction and related business represent the purchase price of the auction articles receivable on behalf of sellers.
- (ii) Included in other receivables are advances of approximately HK\$66,997,000 made to certain sellers as at 30 September 2024 (31 March 2024: approximately HK\$63,021,000) upon consignment of auction articles to the Group. As at 30 September 2024 and 31 March 2024, these advances bore interest at 0% to 12% per annum.

The Group grants credit period of 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 2024 and 31 March 2024, was as follows:

|                | <b>Unaudited</b>    | Audited         |
|----------------|---------------------|-----------------|
|                | <b>As at</b>        | As at           |
|                | <b>30 September</b> | 31 March        |
|                | <b>2024</b>         | 2024            |
|                | <b>HK\$'000</b>     | <b>HK\$'000</b> |
| Within 30 days | <b>12,382</b>       | 5,677           |
| 1 to 3 months  | <b>824</b>          | 25              |
| 3 to 6 months  | <b>171</b>          | 1,036           |
| 6 to 12 months | <b>917</b>          | 10              |
| Over 1 year    | <b>4,432</b>        | 4,366           |
|                | <b>18,726</b>       | 11,114          |

The Group does not hold any collateral as security over these debtors as at 30 September 2024 and 31 March 2024.

## 14 DEPOSITS AND PREPAYMENTS

|  | <b>Unaudited</b><br><b>As at</b><br><b>30 September</b><br><b>2024</b><br><i>HK\$'000</i> | <b>Audited</b><br><b>As at</b><br><b>31 March</b><br><b>2024</b><br><i>HK\$'000</i> |
|--|---|---|
| <b>Current portion:</b>                                      |   |   |
| Prepayments to sellers for auctioned artwork ( <i>Note</i> ) | 3,470   | 5,837   |
| Deposits and prepayments                                     | <u>17,798</u>   | <u>20,310</u>   |
|  | <u>21,268</u>   | <u>26,147</u>   |
| <b>Non-current portion:</b>                                  |   |   |
| Rental and other deposits                                    | <u>1,614</u>  | <u>1,586</u>  |
|  | <u><u>22,882</u></u>  | <u><u>27,733</u></u>  |

As at 30 September 2024 and 31 March 2024, the fair values of deposits of the Group approximated their carrying amounts.

*Note:*

As at 30 September 2024, prepayments to sellers for auctioned artwork represent the amounts advanced to sellers of artwork of approximately HK\$3,470,000 (31 March 2024: approximately HK\$5,837,000). Amounts may be advanced to sellers prior to receiving full payment of the auction purchase prices from the relevant buyers and the Group will keep the related auctioned artworks under its custody. As at 30 September 2024 and 31 March 2024, such prepayments were interest-free and the respective auctioned artwork was kept under the Group's custody.

## 15 SHARE CAPITAL

| <b>Ordinary Shares</b>  | <b>Number of</b><br><b>Shares</b> | <b>Share</b><br><b>capital</b><br><i>HK\$'000</i> |
|---|-----------------------------------|---|
| Issued and fully paid:  |                                   |   |
| At 30 September 2024 (unaudited) and<br>31 March 2024 (audited) | <u>500,000,000</u>                | <u>169,730</u>                                    |



## 16 BORROWINGS

|  | <b>Unaudited</b><br><b>As at</b><br><b>30 September</b><br><b>2024</b><br><i>HK\$'000</i> | Audited<br>As at<br>31 March<br>2024<br><i>HK\$'000</i> |
|--|---|---|
| Bank borrowings ( <i>Notes</i> )   | <u><b>40,722</b></u>  | <u>41,598</u>   |
| Secured  | <b>6,869</b>  | 7,068   |
| Unsecured  | <u><b>33,853</b></u>  | <u>34,530</u>   |
|  | <u><b>40,722</b></u>  | <u>41,598</u>   |
|  | <b>Unaudited</b><br><b>As at</b><br><b>30 September</b><br><b>2024</b><br><i>HK\$'000</i> | Audited<br>As at<br>31 March<br>2024<br><i>HK\$'000</i> |
| The carrying amounts of the above borrowings are repayable*:   |   |   |
| Within one year  | <b>15,310</b>   | 14,602  |
| With a period of more than one year but not exceeding two years  | <b>5,286</b>  | 4,269   |
| With a period of more than two years but not exceeding five years  | <b>13,561</b>   | 12,655  |
| With a period of more than five years  | <u><b>6,565</b></u>   | <u>10,072</u>   |
|  | <u><b>40,722</b></u>  | <u>41,598</u>   |
| The carrying amounts of bank borrowings that contain a repayment on demand clause (shown under current liabilities) but repayable: |   |   |
| Within one year  | <u>—</u>  | <u>—</u>  |
|  | <u><b>40,722</b></u>  | <u>41,598</u>   |
| Less: Amounts due within one year shown under current liabilities  | <u><b>(15,310)</b></u>  | <u>(14,602)</u>   |
| Amounts shown under non-current liabilities  | <u><b>25,412</b></u>  | <u>26,996</u>   |

\* The amounts due are based on scheduled repayment dates set out in the loan agreements.

The Group's borrowings are denominated in the following currencies:

|      | <b>Unaudited</b>     | Audited              |
|------|----------------------|----------------------|
|      | <b>As at</b>         | As at                |
|      | <b>30 September</b>  | 31 March             |
|      | <b>2024</b>          | 2024                 |
|      | <b>HK\$'000</b>      | <b>HK\$'000</b>      |
| HK\$ | —                    | —                    |
| JPY  | <u>40,722</u>        | <u>41,598</u>        |
|      | <u><b>40,722</b></u> | <u><b>41,598</b></u> |

*Notes:*

**Bank borrowings**

- (i) The secured fixed-rate bank borrowing of approximately HK\$6,869,000 (31 March 2024: HK\$7,068,000) as at 30 September 2024 is repayable on 2031 and bearing interest at 0.9% per annum. It was secured by property of Mr. Ando and Mrs. Ando, directors of the Company.
- (ii) The unsecured fixed-rate bank borrowing of approximately HK\$7,089,000 (31 March 2024: HK\$6,531,000) as at 30 September 2024 is repayable on 2030 and bearing interest at 0.9% per annum. It was guaranteed by personal guarantee of Mr. Ando, a director of the Company.
- (iii) The unsecured fixed-rate bank borrowings with principal amount of approximately HK\$21,147,000, equivalent to JPY390,000,000, (31 March 2024: HK\$20,167,000, equivalent to JPY390,000,000) were received from Japanese bank in which interest were subsidised by Japanese government with lower than market rate and the carrying amounts of approximately HK\$15,920,000 (31 March 2024: HK\$17,656,000) as at 30 September 2024 are repayable in full on year 2030. The prevailing market interest rates for equivalent bank borrowings of 1.11% to 1.91%. The difference of between the gross proceeds and the fair value of the bank borrowings are the benefit derived from the interest-free bank borrowings and are recognised as government grant under other income.
- (iv) The unsecured variable-rate bank borrowings of approximately HK\$10,844,000 (31 March 2024: HK\$10,343,000) is repayable within one year and bearing interest at 0.35% to 0.45% per annum over 1-month benchmark interest rate.

## 17 TRADE AND OTHER PAYABLES AND ACCRUALS

|  | <b>Unaudited</b>       | Audited         |
|--|------------------------|-----------------|
|  | <b>As at</b>           | As at           |
|  | <b>30 September</b>    | 31 March        |
|  | <b>2024</b>            | 2024            |
|  | <b><i>HK\$'000</i></b> | <i>HK\$'000</i> |
| Payables to sellers in respect of auction and related business | <b>127,723</b>         | 93,962          |
| Deposits received, other payables and accruals                 | <b>9,511</b>           | 8,795           |
|  | <b><u>137,234</u></b>  | <u>102,757</u>  |
| Less: Non-current portion:                                     |                        |                 |
| Other payables   | <b><u>(1,200)</u></b>  | <u>(1,200)</u>  |
| Current portion  | <b><u>136,034</u></b>  | <u>101,557</u>  |

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

As at 30 September 2024 and 31 March 2024, all deposits received, other payables and accruals of the Group were non-interest bearing, and their fair values approximated their carrying amounts due to their short maturities.

As at 30 September 2024 and 31 March 2024, the non-current other payables represents the Group's obligation to pay for the reinstatement costs to the landlords of the offices in Hong Kong and Japan, which was expected to be settled at the end of the leases.

## 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 teawares. With over ten 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. By offering appealing auction artworks and quality auction services, we have successfully gained recognition from our customers and established our market position, brand name and 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.

Over the past year, the Group took appropriate actions to improve our operations through different ways, including but not limited to, (i) adopting and utilising professional as well as history-focused and culture-oriented marketing techniques along with quality services to maximise the transaction prices of our auctioned artworks; (ii) further strengthening our market position and market share in the Chinese and Japanese art auction market in Hong Kong and Japan, and enhancing our brand recognition and awareness; (iii) diversifying our business scope by venturing into the field of contemporary artwork and fine & rare whisky and moutai; (iv) recruiting high calibre managers and experts and attracting, motivating and retaining quality employees to strengthen both the management and operating teams with a view to support sustainable growth; and (v) targeting to expand business footprint to other potential markets with an aim to establish and enhance brand image and brand influence in other major Asian cities and the global market.

In the future, the Group aims at maintaining 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. Moreover, in order to promptly extend our coverage in other key regions in terms of Asian artworks, we started planning for a joint consignments tour with our industry peers based in Taiwan during the Reporting Period. In the future, the Group will aim at keeping stable growth and development, and continuously uphold its principle of sourcing excellent artworks for art enthusiasts in the artwork auction market. The Group will constantly enrich the categories of auction lots to fulfill the diversified preferences of the collectors. At the same time, the management will also keep an eye on the opportunities to cooperation with other auction companies with a view to developing our business more rapidly.

## **REVENUE**

During the Reporting Period, the revenue of the Group was approximately HK\$31.9 million (six months ended 30 September 2023: approximately HK\$32.2 million), which represents a decrease of approximately HK\$0.3 million or approximately 0.9% as compared to the same period in 2023. Such decrease in revenue from art auction and related business for the Reporting Period was mainly due to the uncertainty in the global economy and the financial markets which has adversely affected the market of Chinese and Japanese artworks in particular, the unpredictability in the market demand, value and conditions for artworks and development of art auction market in general.

## **GROSS PROFIT**

During the Reporting Period, gross profit of the Group decreased by approximately 8.6% to approximately HK\$27.0 million (six months ended 30 September 2023: approximately HK\$29.5 million) as compared to the same period in 2023. Such decreased in gross profit was in line with the decreased in revenue from art auction and related business. Meanwhile, the gross profit margin decreased to approximately 84.5% for the Reporting Period from approximately 91.6% recorded for the same period in 2023.

## **OTHER LOSSES**

Other losses of approximately HK\$109,000 represented by exchange loss during the Reporting Period (six months ended 30 September 2023: Nil).

## **OTHER INCOME**

Other income of approximately HK\$484,000 mainly represented by the bidding deposits forfeited and penalties from the buyers and miscellaneous handling fee charged to customers during the Reporting Period (six months ended 30 September 2023: bidding deposits forfeited and penalties from the buyers and miscellaneous handling fee charged to customers of approximately HK\$231,000).

## **SELLING AND DISTRIBUTION EXPENSES**

Selling and distribution expenses consist primarily of employee benefit expenses paid to the sales and marketing staffs, advertising and promotion expenses, consultancy fee paid, transportation costs, travelling expenses and entertainment and business hospitality expenses. During the Reporting Period, selling and distribution expenses amounted to approximately HK\$10.3 million (six months ended 30 September 2023: approximately HK\$10.9 million). Such decrease was in line with the decrease in revenue for the Reporting Period.

## **ADMINISTRATIVE EXPENSES**

Administrative expenses mainly represent the employee benefit expenses, travelling expenses, rental expenses and depreciation. During the Reporting Period, the administrative expenses of the Group increased by approximately 4.1% to approximately HK\$17.3 million (six months ended 30 September 2023: approximately HK\$16.6 million). Such increase in administrative expenses was mainly due to the recognition of equity-settled share based payment for the Reporting Period.

## **FINANCE INCOME/(COSTS) — NET**

The Group recorded finance income of approximately HK\$219,000 (six months ended 30 September 2023: approximately HK\$130,000) and finance costs of approximately HK\$520,000 (six months ended 30 September 2023: approximately HK\$243,000) during the Reporting Period. Finance income mainly represents interest income from bank deposit and interest income from certain consignor advance, and finance costs mainly represent interest expenses on bank and other borrowings and lease liabilities of the Group.

## **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. Income tax charged for the Reporting Period included the current tax charged of approximately HK\$440,000 (six months ended 30 September 2023: the current tax charged of approximately HK\$949,000 and deferred tax charged of approximately HK\$52,000).

## **LOSS/(PROFIT) ATTRIBUTABLE TO OWNERS OF THE COMPANY**

During the Reporting Period, the Company recorded a loss attributable to owners of the Company of approximately HK\$1.1 million (six months ended 30 September 2023: profit attributable to the owners of the Company of approximately HK\$1.6 million), which was mainly due to recognition of equity-settled share based payment for the Reporting Period.

## **CONSIGNORS ADVANCE**

For the consignor advances as at 30 September 2024, the total principal amount was approximately HK\$69.2 million (31 March 2024: HK\$70.9 million) and the total outstanding principal was approximately HK\$67.0 million (31 March 2024: HK\$63.0 million), two of the consignor advances were granted with interest rate of 1% to 12% per annum and the rest of the advances was granted at nil interest rate (31 March 2024: two of the consignor advances were granted with interest rate of 1% to 12% per annum and the rest of the advances was granted at nil interest rate). During the Reporting Period, the consignor advances were granted to 26 consignors and all of them were either corporate or individual art collectors. The consignor advance was only granted to the

consignors after the collateral (which is the consigned artwork) has been obtained by the Group and the consigned artwork should be proposed to sell in subsequent auctions, which was mutually agreed by consignors and the Group (normally within one year). To the best of the knowledge, information and belief of the Directors, all the consignors and their ultimate beneficial owners are third parties independent of the Company and the connected persons of the Company.

As at 30 September 2024, the outstanding amount of consignor advances due from the largest consignor and five largest consignors accounted for approximately 12.1% and 42.8% of the total outstanding amount of consignor advances of the Group respectively (31 March 2024: the largest consignor and five largest consignors accounted for approximately 12.8% and 46.1% respectively).

In order to attract appealing artworks from artwork providers with long-term relationship and good credit history, during the six months ended 30 September 2024 and 2023, the Company has provided certain consignors with consignor advances carrying interest accruing on such consignor advances at nil or low interest rates. Under the consignment arrangement, the relevant consignor advances with interests payable (if any) shall be deducted from sales proceeds of the consigned artwork after receiving full payment of the purchase price from the auction, or in case the Company failed to sell the consigned artwork at the auction, the consigned artwork shall be returned to the consignor after obtaining full repayment of the consignor advances with accrued interest (if any) from the relevant artwork provider. The business of the Group heavily relies on the artworks provided by these artwork providers and therefore the provision of such advance is for the benefit of the Group's business and not merely for the purpose of earning interest income.

When determining the grant of consignor advances, the Group would initially assess the background of the artwork and the consignors by the taking into factors including (i) obtaining personal information of the consignor and conduct available public search on the background of the consignor when necessary; (ii) the proposed value of the artwork and collateral offered by the consignor; (iii) the length of business relationship between the Group and the consignor; and (iv) the creditability of the consignor based on the credit history of the consignor.

When determining any impairment made in respect of the consignor advances, the management assessed the expected losses individually by estimation based on general economic conditions of the consignor advance provided and the value of relevant consigned artwork and conditions at the reporting date. Since the fair value amounts of the consigned artwork were higher than the carrying amounts of consignor advance as at 30 September 2024, no impairments were recorded.



## **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 2024 the Group had current assets of the approximately HK\$406.9 million (as at 31 March 2024: approximately HK\$368.1 million) while the Group's cash and cash equivalents amounted to approximately HK\$55.6 million (as at 31 March 2024: approximately HK\$48.7 million).

As at 30 September 2024, the Group has interest-bearing bank borrowings of approximately HK\$40.7 million (as at 31 March 2024: approximately HK\$41.6 million) and of which approximately HK\$15.3 million (as at 31 March 2024: approximately HK\$14.6 million) was repayable within one year.

As at 30 September 2024 and 31 March 2024, the Group did not have other borrowings.

As at 30 September 2024, 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 2024: net cash position).

## **CAPITAL COMMITMENTS**

As at 30 September 2024, the Group had no any material capital commitment (as at 31 March 2024: Nil). As at the date of this announcement, the Group had no plan for material investment or capital assets.

## **CONTINGENT LIABILITIES AND GUARANTEES**

As at 30 September 2024, the Group did not provide any guarantees for any third party and had no significant contingent liabilities (as at 31 March 2024: Nil).

## **SIGNIFICANT INVESTMENTS/MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND ASSOCIATED COMPANIES**

The Group did not hold any material investments, nor did the Group made any material acquisition and 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 Dollar, 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 2024, the borrowings were mainly denominated in Japanese Yen and Hong Kong dollars, 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\$4.0 million to secure general 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 in Japanese Yen and Hong Kong dollars. As the 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 2024, bank deposits amounting to HK\$4.0 million (as at 31 March 2024: HK\$4.0 million) was pledged to a bank to secure general banking facilities granted to the Group.

Other than the aforesaid pledged bank deposits, there was no other charge on assets of the Group as at 30 September 2024 (as at 31 March 2024: Nil).

## **EMPLOYEES AND EMOLUMENT POLICY**

As at 30 September 2024, the Group had 21, 13, 1 and 1 full-time staff based in Japan, Hong Kong, Taiwan and the PRC respectively. The Group regularly reviews compensation and benefit policies according to industry benchmark as well as individual performance of employees. Other fringe benefits, mandatory provident fund and share options are provided to retain loyal employees with the aim to form a professional staff and management team that can bring the Group to different levels of success.

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.

## SHARE OPTION SCHEME

The Group has adopted a share option scheme on 13 September 2018 (the “**2018 Share Option Scheme**”) as a reward to eligible high-calibre employees and to attract similar high-quality personnel that are valuable to the Group. Details of the 2018 Share Option Scheme are set out in the circular of the Company dated 13 September 2018.

On 24 April 2023, 48,000,000 share options were granted to certain Director, senior managements and employees of the Group (the “**Grantees**”), as disclosed in the announcement of the Company dated 24 April 2023. The share options granted shall vest in the Grantees in accordance with their respective timetable. Details of the grant of share options are set out in the announcement of the Company dated 24 April 2023.

Details of the share option movements during the period from 1 April 2024 to 30 September 2024 under the 2018 Share Option Scheme are as follows:

| Holder of<br>Share Options | Date of Grant | Exercise period           | Exercise price<br>per Share<br>(HK\$) | Number of share options                 |   |  |  |  |
|----------------------------|---------------|---------------------------|---------------------------------------|---|---|--|--|--|
|                            |               |                           |                                       | Outstanding<br>as at<br>1 April<br>2024 | Granted<br>during the six<br>months ended<br>30 September<br>2024 | Exercised<br>during the<br>six months<br>ended<br>30 September<br>2024 | Lapsed/<br>cancelled<br>during the six<br>months ended<br>30 September<br>2024 | Outstanding<br>as at<br>30 September<br>2024 |
| <b>Executive Directors</b> |               |                           |                                       |   |   |  |  |  |
| Katsu Bunkai               | 24 April 2023 | 24.4.2024 to<br>23.4.2029 | 0.80                                  | 5,000,000                               | —   | —  | —  | 5,000,000                                    |
| <b>Employees</b>           | 24 April 2023 | 24.4.2024 to<br>23.4.2029 | 0.80                                  | 43,000,000                              | —   | —  | —  | 43,000,000                                   |
| Total                      |               |                           |                                       | 48,000,000                              | —   | —  | —  | 48,000,000                                   |

*Note:*

The closing price of the Company's share immediately before the date (23 April 2023) on which the share options were granted was HK\$0.76.

On 4 September 2023, at the annual general meeting (the “**2023 AGM**”), the Company proposed adoption of the share option scheme (the “**2023 Share Option Scheme**”) and termination of the 2018 Share Option Scheme were duly passed by the Shareholders by way of poll. Details of the 2023 Share Option Scheme are set out in the circular of the Company dated 28 July 2023 and the poll result of the 2023 AGM are set out in the announcement of the Company dated 4 September 2023.

## **EVENTS AFTER THE REPORTING PERIOD**

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

## **PROSPECTS**

In view of the global economy and the financial markets in Hong Kong, Japan and the People’s Republic of China (the “**PRC**”) are being uncertain, the Board considered that such significant impact on the global economy and financial markets had adversely affected the market of Chinese and Japanese artworks, specific for unpredictability in the market demand, value and conditions for artworks and development of art auction market in general. The Group seized the opportunity to accelerate the formation of its online system and online auction platform, so as to keep up with the current developing trend, integrate platforms and upgrade its technology to bring new experience of multi-scenario auction for all collectors. The development of online trading and information platform and diversifying our business scope by venturing into the field of contemporary artwork and jewelry allow the Group to expand its current business and provide more flexibility to cope with the economic uncertainty in the near future.

The Group also aspire to diversify our business scope into the field of contemporary artworks and jewelry and further expanding business in Taiwan markets, as (1) we believe there would be a large potential demand for jewelry or contemporary artworks by our existing customers, (2) there is an increasing market demand on jewelry and contemporary artworks in the industry and (3) is targeting to further expand business in Taiwan markets with an aim to establish and enhance brand image and influence in other major Asian cities and the global markets.

## **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 Reporting Period.

## **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 during the Reporting Period.

## **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. The audit committee has no disagreement with the accounting treatment adopted by the Company in the unaudited interim condensed consolidated financial information of the Group for the Reporting Period.

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

This interim results announcement is published on the website of the Stock Exchange 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 despatched to the 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 creating a successful year of 2024 with 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, 25 November 2024

*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.*