

*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.*



## **ASIA COMMERCIAL HOLDINGS LIMITED**

**冠亞商業集團有限公司\***

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 104)**

### **INSIDE INFORMATION**

Asia Commercial Holdings Limited (the “**Company**” or, together with its subsidiaries, the “**Group**”) makes this announcement pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

#### **PROFIT WARNING**

The board (“**Board**”) of directors of the Company announces that the Group is likely to make a net loss for the financial year ending 31 March 2020 given the recent COVID-19 pandemic manifested across Hong Kong and Mainland China where the major businesses of the Group are located.

Based on its latest preliminary review of the relevant unaudited financial information for the period from 1 April 2019 to 29 February 2020, the Group’s revenue for February 2020 plunged sharply by around 75% to around HK\$19 million as compared with a monthly average of around HK\$75 million for the period from 1 April 2019 to 31 January 2020. The Board believes the situation in March 2020 will not have any significant improvement in the existing circumstances. As such, after a preliminary assessment of the unaudited financial information and the expected performance of the Group for the remaining period of the current financial year, the Board estimates the Group is likely to record a net loss for the full year ending 31 March 2020.

The downturn of the Group's overall financial performance is largely attributed to the disruptions of markets in Hong Kong and Mainland China, the associated containment measures including border closures and travel bans amongst the affected areas, and the consequential negative impact on the Group's sales and operations amid the recent COVID-19 pandemic manifested across the areas in late January 2020 and is still on-going. The Group's management is actively taking measures to mitigate the short term impact on the Group's business, including but not limited to evaluating and improving the existing sales strategies and moving to stronger costs control measures.

The above information is only based on a preliminary review of the unaudited financial information of the Group for the year ending 31 March 2020 now available to the Directors. It is not based on any financial data or information that has been audited or reviewed by the Group's auditor. The Company expects to announce its full financial year results in the second quarter of 2020.

### **TERMINATION OF SUPPLY TO HONG KONG RETAIL STORE BY A TOP-BRANDED SUPPLIER**

The Group is currently operating 7 stores, 1 in Hong Kong and 6 in Beijing, Shanghai, Nantong and Xiamen in the Mainland China. The store in Hong Kong is an authorised retail shop selling third-party top-branded luxury timepieces.

The Group was informed earlier this week by a major supplier that it will no longer supply its timepieces to the Group's Hong Kong authorized retail store after mid-August this year. Its supply of branded luxury timepieces for sale in the Group's other stores in the Mainland China is not affected. For the first half of the year ended 30 September 2019, the supplier contributed approximately 45% of the total purchases of the Group.

The management of the Group recognizes that the termination of supply by the supplier will negatively impact on the Group's revenue, cash flow and net profits. The management is considering various potential measures to cope with this upcoming termination of supply and will try to mitigate the downward risks caused by this event and the economic downturn amid the COVID-19 pandemic. Further announcement will be made in that regard when appropriate.

The Group will also continue its focus on the Mainland China luxury market in its continued efforts to develop and strengthen the trading of watches (retail and wholesale) as part of the Group's principal activities.

This announcement is made for regulatory compliance purposes only. The shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company in the meantime.

By Order of the Board  
**Asia Commercial Holdings Limited**  
**Eav Yin**  
*Chairman*

Hong Kong, 19 March 2020

*As at the date of this announcement, the Board comprises Mr. Eav Yin (Chairman), Ms. Eav Guech Rosanna and Mr. Eav Feng Ming, Jonathan as executive directors and Mr. Lai Si Ming, Ms. Wong Wing Yue, Rosaline and Mr. Lee Tat Cheung, Vincent as independent non-executive directors.*

\* *For identification purposes only*