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Asia Grocery Distribution Limited

亞洲雜貨有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 8413)

PROFIT WARNING

This announcement is made by Asia Grocery Distribution Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 17.10 of the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (the “**GEM Listing Rules**”) and the Inside Information Provisions (as defined under the GEM Listing Rules) under Part XIVA of the Securities and Future Ordinance (Chapter 571 of the Law of Hong Kong).

Reference is made to the announcement of the Company dated 24 April 2020 in respect of, among other things, the acquisition of Car-T (Shanghai) Biotech Co., Ltd. involving issuance of consideration shares under specific mandate and promissory notes, reverse takeover involving a new listing application and the application for whitewash waiver (the “**Announcement**”). Unless otherwise stated, capitalised terms used herein have the same meanings as those defined in the Announcement.

The Board wishes to inform the Shareholders and potential investors that, based on a preliminary review on the consolidated management accounts of the Group and the information currently available, the Group is expected to record a net loss of not less than approximately HK\$3.0 million for the year ended 31 March 2020 as compared with a net profit of approximately HK\$3.9 million for the year ended 31 March 2019 (the “**Profit Warning Statement**”). Such loss is mainly attributable to the decrease in revenue, increase in legal and professional fees and transportation expenses, plus the loss on disposal of items of property, plant and equipment since the Group reallocated its headquarters and principal place of business to newly rented office and warehouse in Yau Tong in May 2019.

The Company is still in the process of finalising the consolidated results of the Group for the year ended 31 March 2020. The information contained in this announcement is only based on a preliminary assessment made by the Board with reference to the information currently available to the Board and such information has not been audited or reviewed by the auditors of the Company or the audit committee of the Board and may be subject to adjustments where necessary. The finalised audited consolidated results of the Group for the year ended 31 March 2020 will be disclosed in the annual results announcement (the “**Annual Results Announcement**”), which is expected to be published on or around 24 June 2020.

The Profit Warning Statement involved a profit estimate for the year ended 31 March 2020 which is treated as a profit forecast under Rule 10 of the Takeovers Code and is required to be reported on by the Company's auditors or consultant accountants and financial adviser in compliance with Rule 10.4 of the Takeovers Code. Meanwhile, this announcement is required to be made pursuant to Rule 17.10 of the GEM Listing Rules and the Inside Information Provisions, which requires the Company to issue the profit warning announcement as soon as practicable.

Due to the time constraint in issuing this announcement in compliance with the relevant rules and regulations, the Company has encountered genuine practical difficulties in meeting the reporting requirements set out in Rule 10.4 of the Takeovers Code for this announcement. The reports from the Company's auditors or consultant accountants and financial adviser on the Profit Warning Statement (the "**Reports**") are normally required to be included in the next document sent to the Shareholders. However, the Reports will not be issued if the Annual Results Announcement is issued before the release of such document, and the relevant audited results and the notes to the financial statements will be included in such document.

The Company would like to draw the attention of the Shareholders and potential investors that the Profit Warning Statement does not meet the standard required by Rule 10 of the Takeovers Code. Shareholders and potential investors should exercise caution in placing reliance on the Profit Warning Statement in assessing the merits and demerits of the Acquisition and the Whitewash Waiver. It is expected that the Annual Results Announcement will be issued by the Company on or around 24 June 2020 and the Reports will not be issued if the Annual Results Announcement is issued before the release of the next document sent to the Shareholders.

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

By order of the Board
Asia Grocery Distribution Limited
Wong Siu Man
Chairman and Executive Director

Hong Kong, 27 May 2020

As at the date of this announcement, the executive Directors are Mr. Wong Siu Man (Chairman), Mr. Wong Siu Wa (Chief Executive Officer) and Mr. Yip Kam Cheong (Compliance Officer), the non-executive Director is Mr. Wong Chun Hung Hanson and the independent non-executive Directors are Mr. Ng Fan Kay Frankie, Mr. Wang Zhaobin and Mr. Wong Garrick Jorge Kar Ho.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

The Directors jointly and severally accept full responsibility for the accuracy of information contained in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement the omission of which would make any statement in this announcement misleading.

This announcement will remain on the GEM website at www.hkgem.com on the “Latest Company Announcements” page for at least 7 days from the date of its posting and on the website of the Company at www.agdl.com.hk.