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Alpha Professional Holdings Limited

阿爾法企業控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 948)

**UNAUDITED INTERIM RESULTS
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2023**

The board (the “**Board**”) of directors (the “**Directors**”) of Alpha Professional Holdings Limited (the “**Company**”) announces that the unaudited consolidated results of the Company and its subsidiaries (collectively, the “**Group**”) for the six months ended 30 September 2023 with comparative figures for the six months ended 30 September 2022 are as follows.

The Group’s unaudited consolidated results for the six months ended 30 September 2023 in this announcement was prepared on the basis of the unaudited condensed consolidated interim financial information which have not been audited, but has been reviewed by the audit committee of the Company (the “**Audit Committee**”) and the auditor of the Company (the “**Auditor**”).

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME**

For the six months ended 30 September 2023

	<i>Notes</i>	Six months ended	
		2023	2022
		HK\$'000	HK\$'000
		(Unaudited)	(Unaudited)
Continuing operations			
Revenue	5	95,441	236,935
Cost of sales		<u>(93,543)</u>	<u>(197,391)</u>
Gross profit		1,898	39,544
Impairment losses of financial assets	8(c)	(18,509)	(5,253)
Other income	6	2,015	15,932
Other gains and losses, net	7	(6,852)	(7,702)
Selling and distribution costs		(2,740)	(13,409)
Administrative expenses		<u>(5,376)</u>	<u>(7,782)</u>
(LOSS)/PROFIT FROM OPERATIONS		(29,564)	21,330
Finance costs	8(a)	<u>(2,715)</u>	<u>(1,525)</u>
(LOSS)/PROFIT BEFORE TAXATION	8	(32,279)	19,805
Income tax expenses	9	<u>(1,406)</u>	<u>(3,078)</u>
(LOSS)/PROFIT FOR THE PERIOD FROM CONTINUING OPERATIONS		(33,685)	16,727
Discontinued operation			
Profit for the period from discontinued operation		<u>–</u>	<u>3,770</u>
(LOSS)/PROFIT FOR THE PERIOD		(33,685)	20,497
OTHER COMPREHENSIVE LOSS FOR THE PERIOD, NET OF INCOME TAX			
Items that are or may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operations		(3,108)	(3,482)
Reclassification adjustments relating to foreign operations deconsolidated during the period		<u>–</u>	<u>139</u>
Other comprehensive loss for the period, net of income tax		<u>(3,108)</u>	<u>(3,343)</u>
TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE PERIOD, NET OF INCOME TAX		<u>(36,793)</u>	<u>17,154</u>

	Six months ended	
	30 September	
	2023	2022
<i>Notes</i>	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
(LOSS)/PROFIT FOR THE PERIOD ATTRIBUTABLE TO OWNERS OF THE COMPANY:		
from continuing operations	(33,685)	16,727
from discontinued operation	—	3,770
	<u>(33,685)</u>	<u>20,497</u>
TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE PERIOD, NET OF INCOME TAX ATTRIBUTABLE TO OWNERS OF THE COMPANY:		
from continuing operations	(36,793)	13,511
from discontinued operation	—	3,643
	<u>(36,793)</u>	<u>17,154</u>
	HK cents	HK cents
	(Unaudited)	(Unaudited)
(LOSS)/EARNINGS PER SHARE		
	<i>10</i>	
From continuing operations		
Basic and diluted	<u>(9.6)</u>	<u>4.9</u>
From discontinued operation		
Basic and diluted	<u>—</u>	<u>1.1</u>
From continuing and discontinued operations		
Basic and diluted	<u>(9.6)</u>	<u>6.0</u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 September 2023

	<i>Notes</i>	30 September 2023 HK\$'000 (Unaudited)	31 March 2023 HK\$'000 (Audited)
Non-current assets			
Investment property		40,289	42,094
Property, plant and equipment		1,333	360
Goodwill		2,161	2,161
Interests in joint venture		–	–
Financial assets at fair value through profit or loss		7,929	11,547
Rental deposit		186	–
Deferred tax assets		–	1,354
		<u>51,898</u>	<u>57,516</u>
Current assets			
Inventories		–	3,932
Trade and other receivables	12	174,870	194,727
Tax recoverable		1,710	583
Cash and bank balances		928	13,686
		<u>177,508</u>	<u>212,928</u>
Current liabilities			
Trade and other payables	13	67,708	63,733
Lease liabilities		665	347
Other borrowing		37,771	47,544
Tax payable		579	–
		<u>106,723</u>	<u>111,624</u>
Net current assets		<u>70,785</u>	101,304
Total assets less current liabilities		<u>122,683</u>	158,820
Non-current liabilities			
Lease liabilities		656	–
Net assets		<u>122,027</u>	<u>158,820</u>
Capital and reserves			
Share capital		435,252	435,252
Reserves		(313,225)	(276,432)
Equity attributable to owners of the Company and total equity		<u>122,027</u>	<u>158,820</u>

Notes:

1. REVIEW BY AUDITOR

The interim financial information of the Group for the six months ended 30 September 2023 has been reviewed by our Auditor, Crowe (HK) CPA Limited, in accordance with Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and an unmodified review conclusion has been issued.

2. BASIS OF PREPARATION

The condensed consolidated interim financial information has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) including compliance with International Accounting Standard (“IAS”) 34 “Interim Financial Reporting” issued by the International Accounting Standards Board (“IASB”).

The condensed consolidated interim financial information has been prepared in accordance with the same accounting policies adopted in the 2023 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2024 annual financial statements which are set out in note 3.

The preparation of the condensed consolidated interim financial information in conformity with IAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a period to date basis. Actual results may differ from these estimates.

The condensed consolidated interim financial information contains selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2023 annual financial statements. The condensed consolidated interim financial information and notes thereon do not include all of the information required for a full set of financial statements prepared in accordance with International Financial Reporting Standards (“IFRSs”).

3. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS

In the current reporting period, the Group has applied, for the first time, the following new and amendments to IFRSs issued by the IASB which are mandatory effective for the annual period beginning on or after 1 April 2023 for the preparation of the Group’s condensed consolidated interim financial information:

IFRS 17 and Related Amendments	Insurance Contracts
Amendments to IAS 1 and IFRS Practice Statement 2	Disclosure of Accounting Policies
Amendments to IAS 8	Definition of Accounting Estimates
Amendments to IAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to IAS 12	International Tax Reform – Pillar Two Model Rules

None of the developments have had a material effect on how the Group’s results and financial position for the current or prior periods have been prepared or presented in the interim financial information. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

4. SEGMENT INFORMATION

The Group manages its businesses by divisions, which are organised by business lines (products and services). In a manner consistent with the way in which information is reported internally to the executive Directors (the chief operating decision maker) for the purposes of resource allocation and performance assessment, the Group has presented the following three reportable segments. No operating segments have been aggregated to form the following reportable segments.

1. The trading of milk powder and baby foods (the “**Milk Products Business**”);
2. The provision of warehouse logistics services (the “**Logistics Business**”); and
3. Property investment (the “**Property Investment**”).

In view of diversification, the Group has been exploring different business opportunities in other sectors to broaden the sources of income and to boost the business performance of the Group. The Group commenced and developed the Logistics Business since March 2023, and thus no comparative information for this segment for the six months ended 30 September 2022 is presented.

The provision of mobile handset solution (the “**Mobile Business**”) was discontinued during the six months ended 30 September 2022. The following segment information does not include any amounts for the discontinued operation.

The Milk Products Business derives revenue primarily from the sales of milk powder and baby foods.

The Logistics Business derives revenue primarily from the provision of warehouse logistics services.

The Property Investment derives revenue primarily from rental income arising from the lease of a property.

(a) Segment results, assets and liabilities

For the purposes of assessing segment performance and allocating resources between segments, the executive Directors monitor the results, assets and liabilities attributable to each reportable segment on the following bases:

Segment assets include all tangible, intangible assets and current assets with the exception of corporate assets. Segment liabilities include trade and other payables, contract liabilities, lease liabilities and tax payable attributable to the activities of the individual segments.

Revenue and expenses are allocated to the reportable segments with reference to sales generated by those segments and the expenses incurred by those segments or which otherwise arise from the depreciation of assets attributable to those segments.

The measure used for reporting segment profit/(loss) is “adjusted EBITDA” i.e. “adjusted earnings before interest, taxes, depreciation and amortisation”, where “interest” is regarded as including investment income and “depreciation and amortisation” is regarded as including impairment losses on non-current assets. To arrive at adjusted EBITDA, the Group’s earnings are further adjusted for items not specifically attributed to individual segments, such as Directors’ and auditors’ remuneration and other head office or corporate administration costs.

Disaggregation of revenue from contracts with customers by the timing of revenue recognition, as well as information regarding the Group’s reportable segments as provided to the executive Directors for the purposes of resource allocation and assessment of segment performance for the six months ended 30 September 2023 and 2022 is set out below.

Six months ended 30 September 2023

<i>Continuing operations</i>	Milk Products Business HK\$'000 (Unaudited)	Logistics Business HK\$'000 (Unaudited)	Property Investment HK\$'000 (Unaudited)	Total HK\$'000 (Unaudited)
Reportable segment revenue				
Disaggregated by timing of revenue recognition				
Point in time	93,222	–	–	93,222
Over time	–	1,830	–	1,830
Revenue from contracts with external customers	93,222	1,830	–	95,052
Gross rentals from investment property	–	–	389	389
Total revenue	93,222	1,830	389	95,441
Inter-segment revenue	–	879	–	879
Reportable segment revenue	<u>93,222</u>	<u>2,709</u>	<u>389</u>	<u>96,320</u>
Profit or loss				
Reportable segment (loss)/profit (adjusted EBITDA)	(23,402)	86	(89)	(23,405)
Bank interest income				1
Depreciation				(374)
Finance costs				(2,715)
Loss arising from changes in fair value of financial assets at fair value through profit or loss				(3,213)
Unallocated head office and corporate interest and expenses other than bank interest income, depreciation and finance costs				<u>(2,573)</u>
Consolidated loss before taxation				<u><u>(32,279)</u></u>

At 30 September 2023

<i>Continuing operations</i>	Milk Products Business HK\$'000 (Unaudited)	Logistics Business HK\$'000 (Unaudited)	Property Investment HK\$'000 (Unaudited)	Total HK\$'000 (Unaudited)
Reportable segment assets	180,946	–	40,316	221,262
Unallocated head office and corporate assets				
– Cash and bank balances				208
– Financial assets at fair value through profit or loss				7,929
– Other unallocated assets				7
Consolidated total assets				229,406
Reportable segment liabilities	54,654	3	746	55,403
Unallocated head office and corporate liabilities				
– Other borrowing				37,771
– Other unallocated liabilities				14,205
Consolidated total liabilities				107,379

Six months ended 30 September 2022

	Milk Products Business HK\$'000 (Unaudited)	Logistics Business HK\$'000 (Unaudited)	Property Investment HK\$'000 (Unaudited)	Total HK\$'000 (Unaudited)
Continuing operations				
Reportable segment revenue				
Disaggregated by timing of revenue recognition				
Point in time	236,101	–	–	236,101
Over time	–	–	–	–
Revenue from contracts with external customers	236,101	–	–	236,101
Gross rentals from investment property	–	–	834	834
Total revenue and reportable segment revenue	<u>236,101</u>	<u>–</u>	<u>834</u>	<u>236,935</u>
Profit or loss				
Reportable segment profit (adjusted EBITDA)	25,004	–	1,533	26,537
Bank interest income				1
Depreciation				(386)
Finance costs				(1,525)
Gain arising from changes in fair value of financial assets at fair value through profit or loss				495
Unallocated head office and corporate interest and expenses other than bank interest income, depreciation and finance costs				<u>(5,317)</u>
Consolidated profit before taxation				<u>19,805</u>

At 31 March 2023

	Milk Products Business HK\$'000 (Audited)	Logistics Business HK\$'000 (Audited)	Property Investment HK\$'000 (Audited)	Total HK\$'000 (Audited)
Continuing operations				
Reportable segment assets				
Unallocated head office and corporate assets	215,528	–	43,174	258,702
– Cash and bank balances				185
– Financial assets at fair value through profit or loss				11,547
– Other unallocated assets				<u>10</u>
Consolidated total assets				<u>270,444</u>
Reportable segment liabilities				
Unallocated head office and corporate liabilities	50,657	–	438	51,095
– Other borrowing				47,544
– Other unallocated liabilities				<u>12,985</u>
Consolidated total liabilities				<u>111,624</u>

(b) **Geographical information**

The following is an analysis of geographical location of (i) the Group's revenue from external customers and (ii) the Group's investment property, property, plant and equipment and goodwill. The geographical location of customers is based on the location at which the services were provided or the goods were delivered. The geographical location of investment property and property, plant and equipment is based on the physical location of the asset under consideration. In the case of goodwill, it is based on the location of the operation to which they are allocated.

	<i>Continuing operations</i>		Non-current assets (excluding financial instruments and deferred tax assets)	
	Revenue from external customers		Non-current assets (excluding financial instruments and deferred tax assets)	
	Six months ended 30 September		At 30 September	At 31 March
	2023	2022	2023	2023
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
Hong Kong (place of domicile)	–	–	1,321	340
Australia	33,686	202,371	42,450	44,255
The People's Republic of China (the "PRC")	61,755	34,564	12	20
	95,441	236,935	43,783	44,615

5. **REVENUE**

Disaggregation of revenue from contracts with customers by major products or service lines is as follows:

<i>Continuing operations</i>	Six months ended 30 September	
	2023	2022
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Revenue from contracts with customers within the scope of IFRS 15		
Disaggregated by major products or service lines		
– Sales of milk powder and baby foods	93,222	236,101
– Warehousing logistics income	1,830	–
	95,052	236,101
Revenue from other sources		
Gross rentals from investment property		
– Lease payments that are fixed	389	834
	389	834
	95,441	236,935

Disaggregation of revenue from contracts with customers by the timing of revenue recognition and by geographic markets are disclosed in notes 4(a) and 4(b), respectively.

6. OTHER INCOME

<i>Continuing operations</i>	Six months ended 30 September	
	2023	2022
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Interest income on financial assets measured at amortised cost		
– Bank interest income	1	1
Government subsidy (<i>note</i>)	–	159
Marketing service income	2,014	15,765
Sundry income	–	7
	<u>–</u>	<u>7</u>
	<u>2,015</u>	<u>15,932</u>

Note: For the six months ended 30 September 2022, the Group successfully applied for funding support from the “Employment Support Scheme” under the “Antiepidemic Fund”, set up by the Hong Kong SAR Government. The purpose of the funding was to provide financial support to enterprises to retain their employees who would otherwise be made redundant. Under the terms of the grant, the Group was required not to make redundancies during the subsidy period and to spend all the funding on paying wages to the employees.

7. OTHER GAINS AND LOSSES, NET

<i>Continuing operations</i>	Six months ended 30 September	
	2023	2022
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Net foreign exchange loss	(3,639)	(9,493)
(Loss)/gain arising from changes in fair value of financial asset at fair value through profit or loss		
– Listed equity securities not held-for-trading	(3,213)	495
Valuation gain on investment property	–	1,296
	<u>–</u>	<u>1,296</u>
	<u>(6,852)</u>	<u>(7,702)</u>

8. (LOSS)/PROFIT BEFORE TAXATION

(Loss)/profit before taxation is arrived at after charging/(crediting) the following:

	Six months ended 30 September	
	2023	2022
<i>Continuing operations</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)
(a) Finance costs:		
Interest on other borrowing	2,711	1,512
Interest on lease liabilities	<u>4</u>	<u>13</u>
Total interest expense on financial liabilities not at fair value through profit or loss	<u><u>2,715</u></u>	<u><u>1,525</u></u>
(b) Staff costs (including Directors' emoluments):		
Salaries, wages and other benefits	3,288	5,446
Retirement benefits scheme contributions	<u>160</u>	<u>174</u>
	<u><u>3,448</u></u>	<u><u>5,620</u></u>
(c) Other items:		
Cost of inventories sold (<i>note (i)</i>)	93,543	197,391
Depreciation charges		
– Owned property, plant and equipment	7	16
– Right-of-use assets	367	370
Marketing service expense (<i>note (ii)</i>)	2,015	12,118
Impairment losses of financial assets		
– Impairment losses of trade receivables	18,509	5,253
Rental income from investment property		
less direct outgoings of HK\$27,000 (2022: HK\$87,000)	<u>(362)</u>	<u>(747)</u>

Notes:

- (i) For the six months ended 30 September 2022, cost of inventories sold included purchase discounts of approximately HK\$27,870,000 which was mainly due to a purchase discount of HK\$25,354,000 based on subscription of 9,541,620 shares of Bubs Australia Limited (“**Bubs Australia**”) at nil consideration.
- (ii) Classified under selling and distribution costs in the condensed consolidated statement of profit or loss and other comprehensive income.

9. INCOME TAX

Amounts recognised in profit or loss:

<i>Continuing operations</i>	Six months ended 30 September	
	2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)
Current tax		
– Hong Kong Profits Tax for the period	–	3,933
– Australia Corporate Income Tax for the period	–	12
	–	3,945
Deferred tax – origination and reversal of temporary differences	1,406	(867)
Income tax expenses	<u>1,406</u>	<u>3,078</u>

Notes:

- (i) No Hong Kong Profits Tax has been provided for the six months ended 30 September 2023 as the Group has no estimated assessable profits. The provision for Hong Kong Profits Tax for the six months ended 30 September 2022 is calculated at 16.5% of the estimated assessable profits for the period, except for one subsidiary of the Group which is a qualifying corporation under the two-tiered profits tax rate regime. For this subsidiary, the first HK\$2 million of assessable profits are taxed at 8.25% and the remaining assessable profits are taxed at 16.5%.
- (ii) The Group's subsidiaries established in the PRC are subject to the PRC Enterprise Income Tax at 25% for the six months ended 30 September 2023 and 2022.
- (iii) The Group's subsidiaries established in Australia are subject to Australia Corporate Income Tax at 30% for the six months ended 30 September 2023 and 2022.
- (iv) The Group is not subject to any taxation under the jurisdiction of Bermuda and the British Virgin Islands for the six months ended 30 September 2023 and 2022.

10. (LOSS)/EARNINGS PER SHARE

(a) Basic (loss)/earnings per share

Continuing operations

The calculation of basic (loss)/earnings per share from continuing operations is based on the loss for the period attributable to owners of the Company from continuing operations of approximately HK\$33,685,000 (2022: profit of approximately HK\$16,727,000) and the weighted average number of approximately 349,280,000 (2022: 341,797,000) ordinary shares in issue during the period, calculated as follows:

	Six months ended 30 September	
	2023 '000 (Unaudited)	2022 '000 (Unaudited)
Weighted average number of ordinary shares:		
Issued ordinary shares at 1 April	349,280	314,360
Effect of Shares issued upon placing	—	27,437
	<u>349,280</u>	<u>341,797</u>
Weighted average number of ordinary shares	<u>349,280</u>	<u>341,797</u>
Basic (loss)/earnings per share (<i>HK cents per share</i>)	<u>(9.6)</u>	<u>4.9</u>

Discontinued operation

The calculation of basic earnings per share from discontinued operation is based on the loss for the period attributable to owners of the Company from discontinued operation of Nil (2022: profit of approximately HK\$3,770,000) and the weighted average number of approximately 349,280,000 (2022: 341,797,000) ordinary shares in issue during the six months ended 30 September 2023.

	Six months ended 30 September	
	2023 '000 (Unaudited)	2022 '000 (Unaudited)
Weighted average number of ordinary shares	<u>349,280</u>	<u>341,797</u>
Basic earnings per share (<i>HK cents per share</i>)	<u>—</u>	<u>1.1</u>

Continuing and discontinued operations

The calculation of basic (loss)/earnings per share is based on the loss for the period attributable to owners of the Company of approximately HK\$33,685,000 (2022: profit of approximately HK\$20,497,000) and the weighted average number of approximately 349,280,000 (2022: 341,797,000) ordinary shares in issue during the six months ended 30 September 2023.

	Six months ended 30 September	
	2023	2022
	'000	'000
	(Unaudited)	(Unaudited)
Weighted average number of ordinary shares	349,280	341,797
Basic (loss)/earnings per share (<i>HK cents per share</i>)	(9.6)	6.0

(b) Diluted (loss)/earnings per share

There were no dilutive potential ordinary shares in issue during the six months ended 30 September 2023 and 2022. The diluted (loss)/earnings per share is the same as the basic (loss)/earnings per share for the six months ended 30 September 2023 and 2022.

11. DIVIDEND

The Board does not recommend the payment of an interim dividend for the six months ended 30 September 2023 (2022: Nil).

12. TRADE AND OTHER RECEIVABLES

	At 30 September 2023 <i>HK\$'000</i> (Unaudited)	At 31 March 2023 <i>HK\$'000</i> (Audited)
Trade receivables, net of loss allowance (<i>note (i)</i>)	148,114	162,079
Other receivables, net of loss allowance	4,681	2,466
Rental deposits	186	206
	<hr/>	<hr/>
Financial assets measured at amortised cost	152,981	164,751
Prepayments to suppliers	18,329	25,995
Other prepaid expenses	3,686	3,879
Other deposits	60	64
Other tax recoverable	–	38
	<hr/>	<hr/>
	175,056	194,727
	<hr/> <hr/>	<hr/> <hr/>
Representing:		
Current	174,870	194,727
Non-current	186	–
	<hr/>	<hr/>
	175,056	194,727
	<hr/> <hr/>	<hr/> <hr/>

Except for the rental deposit of HK\$186,000 (31 March 2023: Nil) which is expected to be recovered after more than one year, all of the trade and other receivables are expected to be recovered or recognised as expense within one year.

Note:

(i) Aging analysis

As of the end of the reporting period, the aging analysis of trade receivables based on invoice date and net of loss allowance, is as follows:

	At 30 September 2023 <i>HK\$'000</i> (Unaudited)	At 31 March 2023 <i>HK\$'000</i> (Audited)
0 to 30 days	180	36,996
31 to 60 days	–	7,597
61 to 90 days	43,397	3,253
91 to 180 days	24,392	67,936
181 to 365 days	56,825	46,297
Over 365 days	23,320	–
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	148,114	162,079
	<hr/> <hr/>	<hr/> <hr/>

Trade receivables are due within 90 to 180 days (31 March 2023: 90 to 180 days) from the date of billing.

13. TRADE AND OTHER PAYABLES

	At 30 September 2023 <i>HK\$'000</i> (Unaudited)	At 31 March 2023 <i>HK\$'000</i> (Audited)
Trade payables (<i>note (i)</i>)	28,111	29,742
Other payables	18,777	12,316
Accruals	1,884	2,168
Salary payable	111	236
	<hr/>	<hr/>
Financial liabilities measured at amortised cost	48,883	44,462
Deposit received	7,403	7,733
Other tax payable	11,422	11,538
	<hr/>	<hr/>
	67,708	63,733
	<hr/> <hr/>	<hr/> <hr/>

All of the trade and other payables are expected to be settled within one year or are repayable on demand.

Note:

(i) Aging analysis

As of the end of the reporting period, the aging analysis of trade payables based on invoice date is as follows:

	At 30 September 2023 <i>HK\$'000</i> (Unaudited)	At 31 March 2023 <i>HK\$'000</i> (Audited)
0 to 30 days	170	3,050
31 to 60 days	–	4,874
61 to 90 days	–	1,617
91 to 180 days	–	5,749
181 to 365 days	14,109	14,452
Over 365 days	13,832	–
	<hr/>	<hr/>
	28,111	29,742
	<hr/> <hr/>	<hr/> <hr/>

MANAGEMENT DISCUSSION AND ANALYSIS

Financial Results

The revenue of the Group for the six months ended 30 September 2023 was approximately HK\$95.4 million (2022: HK\$236.9 million), representing a decrease of 59.7% compared to the same period of the previous year. The loss for the period was approximately HK\$33.7 million (2022: profit of HK\$20.5 million (including continuing and discontinued operations)). The basic loss per share amounted to HK9.6 cents (2022: basic earnings per share of HK6.0 cents (including continuing and discontinued operations)).

The turnaround from profit to loss was primarily attributable to:

- (i) a significant decrease of HK\$141.5 million or 59.7% in the revenue for the six months ended 30 September 2023 as compared to the same period of last year, which was mainly due to the decrease in the sales volume of milk powder;
- (ii) the recognition of a non-recurring purchase discount of approximately HK\$25.4 million for the six months ended 30 September 2022 regarding the subscription of 9,541,620 shares (the “**Bubs Shares**”) of Bubs Australia at nil consideration, whereas no such discount was recognised for the six months ended 30 September 2023;
- (iii) the recognition of an unrealised loss of approximately HK\$3.2 million arising from changes in fair value of financial assets at fair value through profit or loss for the six months ended 30 September 2023 by measuring the Bubs Shares at their fair value as at 30 September 2023 according to the Group’s accounting policy; and
- (iv) the recognition of impairment losses of trade receivables of approximately HK\$18.5 million for the six months ended 30 September 2023 (2022: HK\$5.3 million) according to the Group’s accounting policy in respect of the expected credit losses.

For the six months ended 30 September 2023, the administrative expenses of the Group amounted to approximately HK\$5.4 million (2022: HK\$7.8 million), representing a decrease of 30.9% as compared to the same period of previous year.

Business Review

The Group is principally engaged in the Milk Products Business, the Logistics Business and the Property Investment.

Milk Products Business – Continuing Operations

The Group runs its Milk Products Business focusing on crossborder milk powder trading in the PRC, Hong Kong and Australia. During the six months ended 30 September 2023, the Group mainly sold milk powder of two brands from Australia and New Zealand, namely “Bellamy’s” and “Aptamil”.

For the six months ended 30 September 2023, the revenue of the Milk Products Business was approximately HK\$93.2 million (2022: HK\$236.1 million) and the corresponding gross profit was approximately HK\$1.4 million (2022: HK\$38.7 million, which is reflected by including a purchase discount of approximately HK\$25.4 million based on the subscription of 9,541,620 Bubs Shares at nil consideration). The reportable segment loss (adjusted EBITDA) was approximately HK\$23.4 million (2022: profit of HK\$25.0 million).

The Milk Products Business entered into exclusive distributorship agreements with a subsidiary of Bubs Australia in November 2021 to acquire the exclusive distributorship in Hong Kong and the PRC for a new product of “Bubs” named “Bubs Supreme”. It was first sold to the PRC market in early April 2022, and the Group distributed over one million units of “Bubs Supreme” in the PRC for the year ended 31 March 2023. The demand for both the original “Bubs” and “Bubs Supreme” in the PRC market declined since China’s economic growth slowed down in the first half of 2023. Between April 2023 to June 2023, the performance of Bubs’ products in the PRC was much lower than expected. The customers of the Milk Products Business inevitably face a slow inventory turnover which in turn negatively affects the sales volume and revenue of the Milk Products Business. The Group has endeavoured to solve the issue together with Bubs Australia, yet regrettably, despite such efforts, Bubs Australia decided to terminate the cooperation with the Group, and subsequently, the exclusive distributorship agreements entered between the Group and Bubs Australia were not renewed and were terminated in June 2023 and July 2023. In view of the drop of sales of “Bubs”, the Group stepped up its efforts to boost the sales of “Bellamy’s”. During the period, the sales volume of products of “Bellamy’s” had increased by 90% as compared to the same period of last year, which partially offset the negative impact on the revenue and gross profit of Milk Products Business, and as a whole, the overall sales volume of milk powder and the revenue of Milk Products Business for the six months ended 30 September 2023 decreased by 55.7% and 60.5%, respectively as compared to the same period of the previous year.

Logistics Business – Continuing Operations

To diversify the Group’s business and to meet the long-term development strategy of increasing the number of downstream customers under the Milk Products Business, as well as introducing new revenue stream, the Group embarked on the development of the Logistics Business since March 2023. By renting warehouse storage and logistics services from various warehouse storage and logistics services providers and subletting them to our customers, our goal is to provide our customers with relatively low-cost warehouse storage and relevant logistics services.

Looking ahead, the Group aims to further expand this segment of business and will consider different business opportunities arising from time to time including but not limited to acquiring established logistics service providers. Internally, the Group also intends to establish an in-house logistics team.

For the six months ended 30 September 2023, the revenue of the Logistics Business was approximately HK\$1.8 million (2022: Nil) and the reportable segment profit (adjusted EBITDA) was approximately HK\$0.1 million (2022: Nil).

Property Investment – Continuing Operations

The Group owns a piece of land at 152 Milperra Road, Revesby, NSW 2212, New South Wales, Australia, with a total site area of approximately 2,462 square metres and has a warehouse erected thereon with a total internal lettable area of approximately 1,906 square metres (the “**Property**”). The initial consideration for the acquisition of the Property was Australian dollars (“**AUD**”) 7.5 million. The Property has been leased out for rental since its acquisition in January 2021. If the Group requires a warehouse for its future operations of the Milk Products Business in Australia, the Property may serve as a warehouse for self-use purpose.

The Property was recognised by the Group as an investment property and was measured at fair value on each reporting date. As at 30 September 2023, the fair value of the Property was estimated at AUD8.0 million (31 March 2023: AUD8.0 million) (equivalent to approximately HK\$40.3 million (31 March 2023: HK\$42.1 million)), representing approximately 17.6% (31 March 2023: 15.6%) of the total assets of the Group.

For the six months ended 30 September 2023, the Property was leased to a lessee and generated rental income to the Group of approximately HK\$0.4 million (2022: HK\$0.8 million). The reportable segment loss (adjusted EBITDA) was approximately HK\$0.1 million (2022: profit of HK\$1.5 million).

Financial Review

Financial Resources, Liquidity and Capital Structure

The Group’s capital expenditure, daily operations and investments during the six months ended 30 September 2023 were mainly funded by cash generated from its operations and a loan from a third party. The liquidity and financing requirements of the Group are reviewed on a regular basis.

As at 30 September 2023, the Group had current assets of approximately HK\$177.5 million (31 March 2023: HK\$212.9 million) and current liabilities of approximately HK\$106.7 million (31 March 2023: HK\$111.6 million). The liquidity of the Group as evidenced by the current ratio (current assets over current liabilities) was 1.66 times (31 March 2023: 1.91 times).

As at 30 September 2023, the trade and other receivables of the Group were approximately HK\$175.1 million (31 March 2023: HK\$194.7 million), the decrease of which was mainly attributable to the decrease in sale of products for the Milk Products Business, the receiving of the outstanding trade receivables during the period and the increase in loss allowance for trade receivables provided by the Group. To mitigate the risks on the recoverability of trade receivables, security, including but not limited to the initial cash deposit, guarantees and collateral, will be requested and obtained by the Group from its customers according to their credit worthiness. For the long outstanding trade receivables, the Group have requested and received a personal guarantee from a shareholder of the customer, and the credit quality of the customer was further reviewed and re-assessed. According to the Group's accounting policy, the Group recognised additional loss allowance for trade receivables regarding expected credit losses as at 30 September 2023 to reflect the change in credit risk. The Group will continue to monitor and pursue the trade receivables owed by our customers.

The trade and other payables of the Group increased from approximately HK\$63.7 million as at 31 March 2023 to approximately HK\$67.7 million as at 30 September 2023.

As at 30 September 2023, the Group maintained cash and bank balances of approximately HK\$0.9 million (31 March 2023: HK\$13.7 million), of which 29.5% (31 March 2023: 27.7%) were denominated in Hong Kong dollars (“**HK\$**”) or United States dollars (“**US\$**”) and 65.2% (31 March 2023: 68.2%) were denominated in AUD. The decrease of cash and bank balances of approximately HK\$12.8 million as compared to the position as at 31 March 2023 was mainly due to the use of cash in operating activities, in particular, the Milk Products Business, and payment of interest for a borrowing and partial repayment of a borrowing in financing activities.

During the six months ended 30 September 2023, the Group had partially repaid principal of a borrowing amounting to AUD1.5 million (equivalent to approximately HK\$7.6 million) under a loan facility of HK\$50.0 million from a third party (the “**Loan Facility**”). As at 30 September 2023, the Group had an outstanding borrowing of approximately HK\$37.8 million (31 March 2023: HK\$47.5 million) repayable within one year. There was no outstanding borrowing repayable after one year (31 March 2023: Nil). The Group's outstanding borrowing was denominated in AUD and was charged with interest at floating rate.

The gearing ratio (calculated by net debt over total equity) of the Group as at 30 September 2023 was as follows:

	At 30 September 2023 <i>HK\$'000</i> (Unaudited)	At 31 March 2023 <i>HK\$'000</i> (Audited)
Total debt (sum of current liabilities and non-current liabilities)	107,379	111,624
Less: cash and bank balances	(928)	(13,686)
Net debt	<u>106,451</u>	<u>97,938</u>
Total equity	<u>122,027</u>	<u>158,820</u>
Gearing ratio	<u>87.2%</u>	<u>61.7%</u>

Treasury Policy and Financial Management

The Group's treasury policy aims to ensure that (i) the funding requirements for capital commitments, investments and operations of the Group can be fulfilled; and (ii) liquidity can be managed to ensure that fund inflows are matched against all maturing repayment obligations to enhance cash flow management.

The Group aims to minimise its financial risk exposure. The Group's policy is not to engage in speculative derivative financial transactions and not to invest its existing capital resources in financial products with significant risks.

Risk of Foreign Exchange Fluctuation

The Group's foreign exchange risk primarily arises from transactions, working capitals and investments denominated in foreign currencies, mainly in AUD and US\$. During the six months ended 30 September 2023, the Group did not use any financial instruments for hedging purposes and the Group did not have any hedging instruments outstanding as at 30 September 2023.

The Group will closely monitor the exchange rate risk arising from the Group's existing operations and potential new investments in future, and will implement necessary hedging arrangements to mitigate any significant foreign exchange risk when and if appropriate.

Charge on Group Assets

The Group as the borrower entered into a loan agreement with a third party lender (the "**Lender**") for the Loan Facility of HK\$50.0 million, and the Group had utilised AUD7.5 million (equivalent to approximately HK\$37.8 million) under it as at 30 September 2023 (31 March 2023: approximately AUD9.0 million (equivalent to approximately HK\$47.5 million)). The Loan Facility was guaranteed by the Company and was secured by debentures created by the Company and Willis Trading Limited ("**Willis Trading**"), an indirect wholly-owned subsidiary of the Company, respectively, of a first fixed and floating charge over each of the Company and Willis Trading undertaking, property and assets as security for the due payment of all monies payable under the Loan Facility (31 March 2023: the Loan Facility was guaranteed by the Company and was secured by a debenture created by the Company of a first fixed and floating charge over its undertaking, property and assets as security for the due payment of all monies payable under the Loan Facility).

Contingent Liabilities

As at 30 September 2023, the Group was involved in the forthcoming Arbitrations (as defined hereunder) with its former supplier, Infant Food Company Pty Limited ("**IFC**") (a wholly-owned subsidiary of Bubs Australia), which the Group already recognised the trade payables due to IFC of approximately AUD5.7 million (equivalent to approximately HK\$28.5 million), and at the same time, there is prepayment of approximately AUD3.6 million (equivalent to approximately HK\$18.3 million) outstanding from IFC to the Group. Based on the advice of the Group's legal advisor, the outcome of the Arbitrations cannot be predicted with certainty and the amount of any damages and/or interests and relevant legal expenses cannot be estimated reliably at this stage. Details of the Arbitrations are set out in the section headed "Arbitrations" of this announcement (31 March 2023: Nil).

Material Capital Commitments

The Group had no material capital commitments as at 30 September 2023 (31 March 2023: Nil).

Significant Investments Held

As at 30 September 2023, the Group held 9,541,620 (31 March 2023: 9,541,620) Bubs Shares, which represents approximately 1.27% of the issued share capital of Bubs Australia as at 30 September 2023 (31 March 2023: 1.27%). The 9,541,620 Bubs Shares were issued and allotted by Bubs Australia at nil consideration to the Group after the Group achieved the purchase target under a share subscription agreement dated 3 March 2022. The total investment cost of 9,541,620 Bubs Shares is deemed at AUD4.7 million, which is the market value of the Bubs Shares at the date of subscription (i.e.: 26 September 2022). The investment in Bubs Shares was recognised by the Group as financial assets at fair value through profit or loss and was measured at fair value on each reporting date. The fair value of the 9,541,620 Bubs Shares as at 30 September 2023 amounted to AUD1.6 million (31 March 2023: AUD2.2 million) (equivalent to approximately HK\$7.9 million (31 March 2023: HK\$11.5 million)), representing approximately 3.5% (31 March 2023: 4.3%) of the total assets of the Group, resulting in an unrealised loss arising from changes in fair value of financial assets at fair value through profit or loss of approximately HK\$3.2 million (2022: unrealised gain of HK\$0.5 million). There was no dividend received from Bubs Australia for the Bubs Shares held by the Group during the six months ended 30 September 2023 (2022: Nil).

Bubs Australia is a company incorporated in Australia with limited liability, the shares of which are listed on the Australian Securities Exchange (“**ASX**”) (ASX stock code: BUB). Bubs Australia and its controlled entities are principally engaged in the manufacturing of Australian-made premium infant nutrition and dairy products.

As at 30 September 2023, it is expected that the Group will continue to hold the 9,541,620 Bubs Shares. In November 2023, the Group started to dispose of a portion of the Bubs Shares held by it to enhance the liquidity of the Group. The details of the disposal of the Bubs Shares are set out in the paragraph headed “Events after the End of the Reporting Period”.

Save as disclosed in this paragraph and in the paragraph headed “Business Review – Property Investment”, the Group did not hold other significant investments as at and for the six months ended 30 September 2023.

Material Acquisitions and Disposals

The Group had no material acquisitions and disposals of subsidiaries, associates or joint ventures for the six months ended 30 September 2023.

Events after the End of the Reporting Period

In the aim to provide further security to the Lender under the Loan Facility, on 12 October 2023, GA Australia Investment Pty Limited, an indirect wholly-owned subsidiary of the Company, entered into (i) a mortgage to create the pledge of the Property to the Lender; (ii) a security deed to undertake as security for the due payment of the secured money payable under the Loan Facility; and (iii) a deed of guarantee and indemnity to guarantee the payment of all money payable under the Loan Facility.

Subsequent to the end of the reporting period and up to the date of this announcement, the Group disposed of an aggregate of 2,800,000 Bubs Shares on the market of ASX at an average price of approximately AUD0.1442 for an aggregate consideration of approximately AUD0.4 million.

Save for the above, there were no significant events affecting the Group and requiring disclosure that has taken place subsequent to 30 September 2023 and up to the date of this announcement.

Arbitrations

On 19 July 2023, Willis Trading and Alice Trading Limited (“**Alice Trading**”), both indirect wholly-owned subsidiaries of the Company, noticed that two notices of arbitration (the “**Arbitration Notices**”) from IFC, were filed to the Australian Centre for International Commercial Arbitration (“**ACICA**”) for requesting arbitrations regarding the outstanding debt due by Willis Trading and Alice Trading, respectively (the “**Arbitrations**”). The Arbitrations were accepted by the ACICA on 26 July 2023. Details of the request by IFC under the Arbitration Notices are as follows:

- (a) declaring each of Willis Trading and Alice Trading has breached and/or repudiated their agreements entered with IFC;
- (b) ordering each of Willis Trading and Alice Trading to pay the outstanding trade payables to IFC amounting to AUD2.7 million and AUD3.0 million;
- (c) awarding IFC damages in an amount to be quantified arising from Alice Trading’s breach and repudiation of its agreement and its misleading or deceptive conduct;
- (d) ordering each of Willis Trading and Alice Trading to pay all of the costs and expenses of the Arbitrations;
- (e) ordering each of Willis Trading and Alice Trading to pay interest; and
- (f) awarding any other relief.

The abovementioned outstanding trade payables to IFC amounting to AUD2.7 million and AUD3.0 million were fully recognised on the books of the Group as at 30 September 2023. As advised by the legal advisor, an oral hearing of the Arbitrations is scheduled for April 2024 and as at the date of this announcement, apart from the amounts claimed by IFC as indicated in the Arbitration Notices, there is no other evidence available for assessing the maximum exposure of the claims and other relevant expenses. The Group will request counterclaims in the Arbitrations.

Employees

As at 30 September 2023, the Group had 19 employees (31 March 2023: 26). Total staff cost, including Directors' emoluments, of approximately HK\$3.4 million (2022: HK\$5.6 million from continuing operations) was incurred during the six months ended 30 September 2023. The Group maintains a policy of paying competitive remuneration. The remuneration of employees which includes salary and discretionary performance bonus is decided with reference to the results of the Group, the market level as well as individual performance and contributions. Remuneration packages (including performance bonuses) are reviewed on a regular basis by the Group.

In addition, the Group adopted a share option scheme. No share option has been granted, exercised, cancelled or lapsed since its adoption.

Business Development

Regarding the Milk Products Business started by the Group in early 2020, the Group had diversified the brands we sell and distribute. To mitigate the risks from a narrow base of suppliers, the Group had focused on strengthening the cooperation and enhancing the relationship with brands including the discontinued brand – “Bubs”.

The demand for the products of “Bubs” in the PRC market declined since China's economic growth slowed down in the first half of 2023. Decreased overall newborns, increased competitive intensity and excessive promotional activity become accelerators to the decrease in demand. Between April 2023 to June 2023, the performance of Bubs' products in the PRC was much lower than expected. The Group had tried its best efforts to turn the tables, however, China's economic issues have continued even though the Chinese government has announced a slew of measures to bolster the economy. Although the Group conscientiously kept communicating with Bubs Australia about the market situation, Bubs Australia inexplicably opted to put the responsibility on the Group. The exclusive distributorship agreements entered between the Group and Bubs Australia were not renewed and were terminated in June 2023 and July 2023.

The Group will continually put resources into the promotion of the other milk product brands distributed by it. In the future, the Group will further advance the diversification of its product portfolio, this can include other products in addition to milk powder and baby foods. The Group launched the Logistics Business in March 2023 to improve the Group's business and support its business development. Presently, the Group offers logistics services to its customers by partnering with third-party logistics providers. The Group is looking to use its warehousing resources and assets more efficiently with a view to develop and improve its warehousing and delivery capabilities. The Group will consider the feasibility and the orientation on further expansion of the segment of Logistics Business.

Outlook

In the near future, the PRC milk product market, especially the infant milk market, will become more uncertain and more challenging. The milk product market in the PRC will face pressure from the low birth rate in China, the increase in competitive intensity, the impact on changes in regulations, and the challenging macroeconomic conditions.

In early 2023, both the Chinese government and the Hong Kong government are looking forward to economic recovery after the COVID-19 pandemic gradually subsides and normal travel resumes, but the result is not as expected. Economic issues have continued even though the governments have announced various measures to bolster the economy. The uncertainty from the global market also affects China and Hong Kong. The rapid interest rate hikes by the Federal Reserve of the United States not only disrupts the global financial markets and affects global steady growth, but is also detrimental to the economic recovery of China and Hong Kong. The future development of the global economy is yet to be seen. Although the Group currently does not have any detailed plans for material investment or capital asset, the Group will continue to follow its corporate strategy to strengthen the existing business foundation; strengthen the Group's competitive edge; and actively seek opportunities for business development and diversification.

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

The Company has applied the principles of, and complied with all applicable code provisions of the Corporate Governance Code (the “**CG Code**”) as set out in Part 2 of Appendix 14 to the Listing Rules throughout the six months ended 30 September 2023, save and except for the deviations as follows:

On 25 September 2023, Mr. Zhao Lei (“**Mr. Zhao**”) has been re-designated from an independent non-executive Director to an executive Director and thus ceased to be a member of the Audit Committee and the chairman of each of the credit committee (the “**Credit Committee**”) and the remuneration committee (the “**Remuneration Committee**”) of the Company but remain as a member of each of the Credit Committee and the Remuneration Committee and the nomination committee (the “**Nomination Committee**”) of the Company. Following his re-designation, the Company has (i) two independent non-executive Directors, which results in the current number of independent non-executive Directors falling below the minimum number required under Rules 3.10(1) and 3.10A of the Listing Rules; (ii) two members of Audit Committee, which results in the number of Audit Committee members falling below the minimum number required under Rule 3.21 of the Listing Rules; and (iii) no independent non-executive Director as a chairman and only two independent non-executive Directors in the Remuneration Committee, which results in the Company's failure (a) to have an independent non-executive Director as a chairman; and (b) to maintain a majority of independent non-executive Directors in the Remuneration Committee as required under Rule 3.25 of the Listing Rules. The Company has been actively seeking suitable candidate(s) with appropriate expertise and relevant qualifications to fill the vacancies, in any event within three months from the date of the re-designation of Mr. Zhao.

The position of the chief executive officer of the Company (the “**Chief Executive Officer**”) vacated by the resignation of Mr. Yi Peijian and those responsibilities which were shared among the members of the Board since 1 October 2022 have been filled up following the appointment of Mr. Zhao as the Chief Executive Officer on 25 September 2023. Since then, Mr. Zhao has taken over the responsibilities of the Chief Executive Officer. However, the position of the chairman of the Company (the “**Chairman**”) remains vacant upon the resignation of Mr. Xiong Jianrui (former Chairman) and those responsibilities continued to be shared among the members of the Board since 1 October 2022. During the period, the Company has not met the requirements of (i) the roles of chairman and chief executive under code provision C.2.1 and (ii) the responsibilities of chairman under code provisions C.2.2 to C.2.9 of the CG Code. The Board and the Nomination Committee will continuously review and discuss the adjustment to the composition of the Board.

DIRECTORS’ SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transaction by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix 10 to the Listing Rules.

Specific enquiry has been made to each of the Directors and all Directors confirmed that they have complied with the required standards as set out in the Model Code throughout the six months ended 30 September 2023.

AUDIT COMMITTEE REVIEW

The Audit Committee has reviewed with the management the accounting principles and practices adopted by the Group and discussed financial reporting matters including a general review of the unaudited interim financial report for the six months ended 30 September 2023. In carrying out this review, the Audit Committee has relied on a review conducted by the Group’s external auditor in accordance with Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by HKICPA as well as reports obtained from management. The Audit Committee has not undertaken detailed independent audit checks.

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

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the listed securities of the Company for the six months ended 30 September 2023.

INTERIM DIVIDEND

The Board does not recommend the payment of an interim dividend for the six months ended 30 September 2023 (2022: Nil).

PUBLICATION OF INTERIM REPORT ON THE WEBSITES OF THE STOCK EXCHANGE AND OF THE COMPANY

The 2023 interim report of the Company will be despatched to the shareholders of the Company and made available on the websites of the Stock Exchange (<http://www.hkexnews.hk>) and the Company (<http://www.hk-alpha.com>) in due course.

ACKNOWLEDGEMENT

I would like to offer the Board's sincere gratitude to the management team and all employees for their hard work and dedication. Their excellence and commitment are of vital importance in enhancing the Company's sustainability. I also take this opportunity to thank our shareholders and all other stakeholders for their continuous support and confidence in us.

On behalf of the Board
Alpha Professional Holdings Limited
Zhao Lei
Executive Director and Chief Executive Officer

Hong Kong, 28 November 2023

As at the date of this results announcement, the executive Directors are Mr. Zhao Lei and Ms. Wu Feizi, and the independent non-executive Directors are Mr. Li Chak Hung and Mr. Choi Kin Man.

* *For identification purposes only*