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 2024

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 2024 with comparative figures for the six months ended 30 September 2023 are as follows.

The Group's unaudited consolidated results for the six months ended 30 September 2024 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 2024

	Notes	Six months ended 30 September 2024 HK$'000 (Unaudited)	2023 HK$'000 (Unaudited)
Revenue	*5*	**16,980**	95,441
Cost of sales and provision of services		**(14,234)**	(93,543)
Gross profit		**2,746**	1,898
Net provision for impairment losses on financial assets	*8(c)*	**(427)**	(18,509)
Other income	*6*	**49**	2,015
Other gains and losses	*7*	**(99)**	(6,852)
Selling and distribution costs		**(5,692)**	(2,740)
Administrative expenses		**(19,665)**	(5,376)
LOSS FROM OPERATIONS		**(23,088)**	(29,564)
Finance costs	*8(a)*	**(1,582)**	(2,715)
LOSS BEFORE TAXATION	*8*	**(24,670)**	(32,279)
Income tax expenses	*9*	**(175)**	(1,406)
LOSS FOR THE PERIOD		**(24,845)**	(33,685)
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD, NET OF INCOME TAX			
Item that is or may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operations		**3,602**	(3,108)
Other comprehensive income/(loss) for the period, net of income tax		**3,602**	(3,108)
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD, NET OF INCOME TAX		**(21,243)**	(36,793)

	Notes	Six months ended 30 September **2024** ***HK$'000*** **(Unaudited)**	2023 *HK$'000* (Unaudited)
LOSS FOR THE PERIOD ATTRIBUTABLE TO			
Owners of the Company		**(24,573)**	(33,685)
Non-controlling interests		**(272)**	–
		(24,845)	(33,685)
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD, NET OF INCOME TAX ATTRIBUTABLE TO			
Owners of the Company		**(20,971)**	(36,793)
Non-controlling interests		**(272)**	–
		(21,243)	(36,793)
		HK cents (Unaudited)	HK cents (Unaudited)
LOSS PER SHARE	*10*		
Basic		**(7.0)**	(9.6)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 September 2024

	Notes	30 September 2024 HK$'000 (Unaudited)	31 March 2024 HK$'000 (Audited)
Non-current assets			
Investment property		**44,161**	41,350
Property, plant and equipment		**1,463**	18
Other intangible assets		**25,601**	–
Goodwill		**16,112**	–
Interest in joint venture		**–**	–
Financial asset at fair value through profit or loss		**4,699**	–
Refundable rental deposit	*12*	**203**	203
		92,239	41,571
Current assets			
Inventories		**807**	9
Trade and other receivables	*12*	**59,040**	107,528
Prepayments		**1,395**	186
Income tax recoverable		**1,831**	1,735
Cash and cash equivalents		**30,570**	47,277
		93,643	156,735
Current liabilities			
Trade and other payables	*13*	**39,794**	45,358
Contract liabilities		**–**	172
Lease liabilities		**656**	675
Other borrowing		**35,006**	33,182
Income tax payable		**844**	370
		76,300	79,757
Net current assets		**17,343**	76,978
Total assets less current liabilities		**109,582**	118,549

	Notes	30 September 2024 HK$'000 (Unaudited)	31 March 2024 HK$'000 (Audited)
Non-current liabilities			
Lease liabilities		**–**	316
Deferred tax liabilities		**6,137**	–
Defined benefit obligation		**422**	–
		6,559	316
Net assets		**103,023**	118,233
Capital and reserves			
Share capital		**435,252**	435,252
Reserves		**(337,990)**	(317,019)
Equity attributable to owners of the Company		**97,262**	118,233
Non-controlling interests		**5,761**	–
Total equity		**103,023**	118,233

Notes:

1. REVIEW BY AUDITOR

The interim financial information of the Group for the six months ended 30 September 2024 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 2024 annual financial statements, except for new accounting policies resulting from application of amendments to International Financial Reporting Standards as set out in note 3 and application of certain accounting policies which became relevant to the Group that are expected to be reflected in the 2025 annual financial statements.

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.

This 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 2024 annual financial statements. This 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 period, the Group has applied the following amendments to IFRSs issued by the IASB for the first time, which are mandatorily effective for the Group's annual period beginning on 1 April 2024, for the preparation of the Group's condensed consolidated interim financial information:

Amendments to IAS 1	Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants
Amendments to IAS 7 and IFRS 7	Supplier Finance Arrangements
Amendments to IFRS 16	Lease Liability in a Sale and Leaseback

The Group has not applied any new standard or amendment that is not yet effective for the current accounting period. The application of the amendments to IFRSs in the current period has had no material impact on the Group's financial positions and performance for the current and prior periods and on the disclosures set out in these condensed consolidated interim financial information.

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**").

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 financial asset at fair value through profit or loss and other corporate assets. Segment liabilities include trade and other payables, contract liabilities, lease liabilities, income tax payable, deferred tax liabilities and defined benefit obligation 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 and amortisation 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 2024 and 2023 is set out below.

	Six months ended 30 September 2024			
	Milk Products Business	Logistics Business	Property Investment	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Reportable segment revenue				
Disaggregated by timing of revenue recognition				
Point in time	**6,694**	**10,286**	**–**	**16,980**
Over time	**–**	**–**	**–**	**–**
Revenue from contracts with external customers	**6,694**	**10,286**	**–**	**16,980**
Gross rentals from investment property	**–**	**–**	**–**	**–**
Total revenue	**6,694**	**10,286**	**–**	**16,980**
Inter-segment revenue	**–**	**–**	**–**	**–**
Reportable segment revenue	**6,694**	**10,286**	**–**	**16,980**
Profit or loss				
Reportable segment (loss)/profit (adjusted EBITDA)	**(18,065)**	**764**	**459**	**(16,842)**
Bank interest income				**49**
Depreciation				**(151)**
Amortisation				**(581)**
Finance costs				**(1,582)**
Loss arising from changes in fair value of financial asset at fair value through profit or loss				**(337)**
Unallocated head office and corporate income and expenses other than bank interest income, depreciation and finance costs				**(5,226)**
Consolidated loss before taxation				**(24,670)**

	Six months ended 30 September 2023			
	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	93,222	2,709	389	96,320
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 asset at fair value through profit or loss				(3,213)
Unallocated head office and corporate income and expenses other than bank interest income, depreciation and finance costs				(2,573)
Consolidated loss before taxation				(32,279)

(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, intangible assets 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 intangible assets and goodwill, it is based on the location of the operation to which they are allocated.

	Revenue from external customers		**Non-current assets (excluding financial instruments)**	
	Six months ended 30 September		**At 30 September**	At 31 March
	2024	2023	**2024**	2024
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Audited)
Hong Kong (place of domicile)	**10,286**	–	**6,185**	–
Australia	**175**	33,686	**44,161**	41,350
The People's Republic of China (the "**PRC**")	**6,519**	61,755	**36,991**	18
	16,980	95,441	**87,337**	41,368

5. REVENUE

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

	Six months ended 30 September	
	2024	2023
	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	**6,694**	93,222
– Warehousing logistics income	**10,286**	1,830
	16,980	95,052
Revenue from other sources		
Gross rentals from investment property		
– Lease payments that are fixed	**–**	389
Total revenue	**16,980**	95,441

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.

(b) A contract liability at the beginning of the period of HK$172,000 has been recognised as revenue during the six months ended 30 September 2024 (2023: Nil).

No revenue was recognised in the current period related to performance obligations that were satisfied in a prior period.

6. OTHER INCOME

	Six months ended 30 September	
	2024	2023
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Interest income on financial assets measured at amortised cost		
– Bank interest income	**49**	1
Marketing service income	**–**	2,014
	49	2,015

7. OTHER GAINS AND LOSSES

	Six months ended 30 September	
	2024	2023
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Net foreign exchange loss	**(284)**	(3,639)
Loss arising from changes in fair value of financial asset at fair value through profit or loss		
– Listed equity securities not held-for-trading	**(337)**	(3,213)
Gain on disposal of property, plant and equipment	**3**	–
Fair value gain on investment property	**519**	–
	(99)	(6,852)

8. LOSS BEFORE TAXATION

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

		Six months ended 30 September	
		2024	2023
		HK$'000	*HK$'000*
		(Unaudited)	(Unaudited)
(a)	**Finance costs:**		
	Interest on other borrowing	**1,570**	2,711
	Interest on lease liabilities	**12**	4
	Total interest expense on financial liabilities not at fair value through profit or loss	**1,582**	2,715
(b)	**Employee benefits expenses (including Directors' emoluments):**		
	Salaries, wages and other benefits	**7,730**	3,288
	Defined contribution retirement benefits scheme contributions	**665**	160
		8,395	3,448
(c)	**Other items:**		
	Cost of inventories sold	**3,802**	93,543
	Depreciation charges		
	– Owned property, plant and equipment	**151**	7
	– Right-of-use assets	**–**	367
	Amortisation of intangible assets	**581**	–
	Marketing service expense *(note)*	**919**	2,015
	Net provision for impairment losses on financial assets		
	– (Reversal of provision)/provision for impairment loss on trade receivables	**(418)**	18,509
	– Provision for impairment loss on other receivables	**845**	–
		427	18,509
	Short-term lease expense	**243**	–
	Rentals income from investment property less direct outgoings of HK$nil (2023: HK$27,000)	**–**	(362)

Note: 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:

	Six months ended 30 September	
	2024	2023
	HK\$'000	*HK\$'000*
	(Unaudited)	(Unaudited)
Current tax – Hong Kong Profits Tax for the period	**136**	–
Deferred tax – origination and reversal of temporary differences	**39**	1,406
Income tax expenses	**175**	1,406

Notes:

(i) The provision for Hong Kong Profits Tax for the six months ended 30 September 2024 and 2023 is calculated at 16.5% of the estimated assessable profits for the periods, 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 is 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% of the estimated assessable profits for the six months ended 30 September 2024 and 2023.

(iii) The Group's subsidiaries established in Australia are subject to Australia Corporate Income Tax at 30% of the estimated assessable profits for the six months ended 30 September 2024 and 2023.

(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 2024 and 2023.

10. LOSS PER SHARE

(a) Basic loss per share

The calculation of basic loss per share is based on the loss for the period attributable to owners of the Company of approximately HK$24,573,000 (2023: HK$33,685,000) and the weighted average number of approximately 349,280,000 (2023: 349,280,000) ordinary shares in issue during the period.

(b) Diluted loss per share

No diluted loss per share for the six months ended 30 September 2024 and 2023 is presented as there is no potential ordinary shares in issue during the six months ended 30 September 2024 and 2023.

11. DIVIDEND

The Board does not recommend the payment of an interim dividend for the six months ended 30 September 2024 (2023: Nil).

12. TRADE AND OTHER RECEIVABLES

As at 30 September 2024, trade and other receivables and deposits of HK$59,243,000 (31 March 2024: HK$107,731,000) included trade receivables (net of loss allowance) of HK$27,492,000 (31 March 2024: HK$84,877,000).

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 2024	At 31 March 2024
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
0 to 30 days	**2,897**	568
31 to 60 days	**274**	–
61 to 90 days	**12**	–
91 to 180 days	**–**	–
181 to 365 days	**13**	54,019
Over 365 days	**24,296**	30,290
	27,492	84,877

Trade receivables are due within 0 to 180 days (31 March 2024: 90 to 180 days) from the date of billing.

13. TRADE AND OTHER PAYABLES

As at 30 September 2024, trade and other payables of HK$39,794,000 (31 March 2024: HK$45,358,000) included trade payables of HK$33,712,000 (31 March 2024: HK$28,861,000).

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

	At 30 September 2024	At 31 March 2024
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
0 to 30 days	**626**	–
31 to 60 days	**96**	–
61 to 90 days	**5**	–
91 to 180 days	**883**	–
181 to 365 days	**–**	–
Over 365 days	**32,102**	28,861
	33,712	28,861

MANAGEMENT DISCUSSION AND ANALYSIS

Financial Results

The revenue of the Group for the six months ended 30 September 2024 was approximately HK$17.0 million (2023: HK$95.4 million). The substantial drop in revenue was mainly due to a drop in sales volume of milk powder and revenue from property investment. The loss for the period was approximately HK$24.9 million (2023: HK$33.7 million), representing a decrease of HK$8.8 million or 26.7% compared to the same period of the previous year. The loss attributable to owners of the Company for the six months ended 30 September 2024 was HK$24.5 million (2023: HK$33.7 million). The basic loss per share amounted to HK7.0 cents (2023: HK9.6 cents). The reduction in loss was primarily attributable to the combined effect of:

(i) an increase of HK$0.8 million or 44.7% in gross profit for the six months ended 30 September 2024 as compared to the same period of last year despite a drop of over 80% in revenue, such increase which was mainly due to change in brands of milk powder sold under the Milk Products Business, and new source of income from (a) the expansion of the Logistics Business; and (b) the operation of the e-commerce platform(s) under the Milk Products Business;

(ii) a significant decrease of HK$18.1 million or 97.7% in the net provision for impairment losses on financial assets for the six months ended 30 September 2024 recognised according to the Group's accounting policy in respect of the expected credit losses as compared to the same period of the previous year; and

(iii) a significant increase of HK$14.3 million or 266.0% in administrative expenses was recorded during the six months ended 30 September 2024 which was mainly due to an increase in staff costs resulting from the growth in the number of staff for the operations of the e-commerce platform(s) as well as the Group's Logistics Business, and an increase in legal and professional fees.

The net provision for impairment losses on financial assets recognised in respect of the expected credit losses decreased by HK$18.1 million to approximately HK$0.4 million for the six months ended 30 September 2024 as compared with the same period of the previous year. The decrease was primarily due to a combined effect of (i) the recognition of a reversal of provision for impairment loss on trade receivables of HK$0.4 million in connection with the settlement of trade receivables from the customers during the period as compared to the recognition of a provision for impairment loss of HK$18.5 million in the same period of last year; and (ii) a provision for HK$0.8 million impairment loss on other receivables was recognised for the six months ended 30 September 2024.

Business Review

For the six months ended 30 September 2024, the Group is principally engaged in the Milk Products Business, the Logistics Business and the Property Investment.

Milk Products Business

The Group runs its Milk Products Business focusing on cross-border milk powder trading in The People's Republic of China (the "**PRC**"), Hong Kong and Australia. On 27 June 2024, through a contractual arrangement, the Group completed the acquisition of 70% interest in Shenyang Jinyi e-commerce Co., Limited*（瀋陽金蟻電子商務有限公司）("**Shenyang Jinyi**"), which is engaged in the business of e-commerce in the PRC. The Group is now in processing to integrate the e-commerce platform(s) from Shenyang Jinyi with its Milk Products Business. During the six months ended 30 September 2024, the Group successfully invited several overseas milk powder brands to join such platform(s) for selling their products in the PRC.

In September 2024, the Group completed the subscription of 48,477,509 shares (the "**AHF Shares**") from Australian Dairy Nutritionals Limited ("**Australian Dairy**"), a company incorporated in Australia, the shares of which are listed on ASX (ASX stock code: AHF), it can be expected that the sale of products of Australian Dairy will be launched on the Group's e-commerce platform(s) in the near future.

For the six months ended 30 September 2024, the revenue of the Milk Products Business was approximately HK$6.7 million (2023: HK$93.2 million), and the decrease in revenue was mainly due to drop in sales volume of milk powder. The corresponding gross profit was approximately HK$1.5 million (2023: HK$1.4 million). The reportable segment loss (adjusted EBITDA) was approximately HK$18.1 million (2023: HK$23.4 million).

Logistics Business

On 11 June 2024, the Group completed the acquisition of 100% interests of Welfit (HK) Limited ("**Welfit**") and its subsidiaries (the "**Welfit Group**"), the principal business of which are bonded warehouse storage, general warehouse storage, devanning and freight forwarder services.

Located in Tsuen Wan, Hong Kong, Welfit Group has more than 13,000 cubic meters of warehousing space and has been in the logistics industry for more than 30 years. Welfit Group provides warehousing space with a high-quality storage environment, temperature and humidity are well controlled. The products from the customers of Welfit Group stored in our warehouses range from foods, beverages and tobacco. The average occupancy rate of Welfit Group's bonded warehouses reached 70%.

For the six months ended 30 September 2024, the revenue of the Logistics Business was approximately HK$10.3 million (2023: HK$1.8 million) and the reportable segment profit (adjusted EBITDA) was approximately HK$0.8 million (2023: HK$0.1 million).

Property Investment

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 and was vacant since April 2024.

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 2024, the fair value of the Property was estimated at approximately AUD8.2 million (31 March 2024: AUD8.1 million) (equivalent to approximately HK$44.2 million (31 March 2024: HK$41.4 million)), representing approximately 23.8% (31 March 2024: 20.9%) of the total assets of the Group.

For the six months ended 30 September 2024, the Group was looking for a new tenant for the Property (2023: the Property was leased to a lessee and generated rental income to the Group of approximately HK$0.4 million). The reportable segment profit (adjusted EBITDA) was approximately HK$0.5 million (2023: loss of HK$0.1 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 2024 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 2024, the Group had current assets of approximately HK$93.6 million (31 March 2024: HK$156.7 million) and current liabilities of approximately HK$76.3 million (31 March 2024: HK$79.8 million). The liquidity of the Group as evidenced by the current ratio (current assets over current liabilities) was 1.23 times (31 March 2024: 1.97 times).

As at 31 March 2024, the trade and other receivables of the Group were approximately HK$59.0 million (31 March 2024: HK$107.5 million), the decrease of which was mainly attributable to the settlement of the outstanding trade receivables from customers under Milk Products Business during the period and the decrease in sale of products for the Milk Products Business.

The management of the Group has closely monitored the aging of the trade receivables and regularly communicated with the customers to follow up on the settlement of the invoices if any prolonged delay has been observed. According to the Group's accounting policy, loss allowances for trade receivables are measured at an amount equal to lifetime expected credit losses (the "**ECLs**"). At each reporting date of a financial period/year-end, ECLs are re-measured to reflect the change(s) in the credit risk of the trade receivables compared to the initial recognition. In measuring ECLs, the Group takes into account the probability weighted estimate of credit losses, the time value of money, and such reasonable information supported by evidence that is available without undue cost or effort, which includes information about past events, current conditions and forecasts of future economic conditions. The Group has engaged an independent firm of valuer in Hong Kong to carry out an assessment of the ECLs on the trade receivables of the Group as at 30 September 2024 according to the aforesaid accounting policy, and considered various factors affecting the credit risk, including but not limited to an increase in aging of trade receivables, the market conditions and the historical recovery rate of the trade receivables. Based on the assessment results, the Group recognised a loss allowance for ECLs on the trade receivables amounting to HK$34.8 million (31 March 2024: HK$33.3 million) as at 30 September 2024 and a reversal of provisional for impairment loss on trade receivable of HK$0.4 million (2023: provision for impairment loss on trade receivables of HK$18.5 million) for the six months ended 30 September 2024. As compared with 31 March 2024, the increase in the balance of loss allowance recognised as at 30 September 2024 results from exchange differences.

In recovering the overdue trade receivables, the Board has proactively taken the following actions:

– monitoring the frequency of business transactions with its customers and progress of settlement of invoices, and issuing invoice settlement reminders regularly;

– closely supervising the repayment of overdue trade receivables from its major customers under Milk Products Business, and noted that there has been settlement of invoices from customers from time to time, whereby they have arranged payment and discharged with assets of approximately AUD12.1 million (equivalent to approximately HK$65.1 million) during the six months ended 30 September 2024;

– in relation to the largest long outstanding customer under Milk Products Business (the "**Largest Customer**"), the Group obtained an additional personal guarantee (the "**Guarantee**") executed by the ultimate beneficial owner of the Largest Customer in favour of the Group for all amounts due from the Largest Customer. The management of the Group has further reviewed the financial resources of the ultimate beneficial owner of the Largest Customer and is satisfied with the worthiness of the Guarantee; and

– regularly reviewing the credit worthiness of the customers and the Group will request additional security from them when necessary (including but not limited to initial cash deposit, guarantees and collateral).

Having considered (i) the Guarantee offers additional security over a significant portion of the outstanding trade receivables; and (ii) the Group has from time to time been able to recover and/or settle a portion of the outstanding trade receivables (including taking into account the effect of the debt settlement agreement as abovementioned), the Board is of the view that the actions taken by the Group are sufficient to safeguard the Company's assets.

The Board will continue to monitor the aging of the trade receivables, and is mindful of taking further actions (including but not limited to negotiating with the customers for a settlement from different means and initiating legal proceedings against the customers of the Group) in future to recover the trade receivables in order to protect the interests of the Company and its shareholders.

The trade and other payables of the Group decreased from approximately HK$45.4 million as at 31 March 2024 to approximately HK$39.8 million as at 30 September 2024.

As at 30 September 2024, the Group maintained cash and cash equivalents of approximately HK$30.6 million (31 March 2024: HK$47.3 million), of which 53.7% (31 March 2024: 80.5%) were denominated in Hong Kong dollars ("**HK$**") or United States dollars ("**US$**") and 25.1% (31 March 2024: 17.1%) were denominated in AUD. The decrease in cash and cash equivalents of approximately HK$16.7 million as compared to the position as at 31 March 2024 was mainly due to the increase in cash used in investment activities including the funds used in the acquisition of Welfit Group and the investment in AHF Shares recognised as financial asset at fair value through profit or loss.

As at 30 September 2024, the Group had an outstanding borrowing of approximately HK$35.0 million (31 March 2024: HK$33.2 million) repayable within one year. Comparing with 31 March 2024, the increased balance of outstanding borrowing as at 30 September 2024 results from exchange differences. There was no outstanding borrowing repayable after one year (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 2024 was as follows:

	At 30 September 2024	At 31 March 2024
	HK$'000	*HK$'000*
Total debt (sum of current liabilities and non-current liabilities)	**82,859**	80,073
Less: cash and cash equivalents	**(30,570)**	(47,277)
Net debt	**52,289**	32,796
Total equity	**103,023**	118,233
Gearing ratio	**50.8%**	27.7%

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 to not 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 2024, 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 2024.

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 a loan facility of HK$50.0 million (the "**Loan Facility**"), and the Group had utilised AUD6.5 million (equivalent to approximately HK$35.0 million) under it as at 30 September 2024 (31 March 2024: approximately AUD6.5 million (equivalent to approximately HK$33.2 million)). The Loan Facility was guaranteed by the Company and GA Australia Investment Pty Limited ("**GA Australia Investment**"), an indirect wholly-owned subsidiary of the Company, respectively. The Loan Facility was also secured by (i) 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; (ii) a mortgage entered by GA Australia Investment to create the pledge of the Property to the Lender; (iii) a security deed entered by GA Australia Investment to undertake as security for the due payment of the secured money payable under the Loan Facility; and (iv) a mortgage entered by Willis Trading to create the pledge of the shares of GA Australia Investment to the Lender.

Contingent Liabilities

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 Infant Food Company Pty Limited ("**IFC**"), a wholly-owned subsidiary of Bubs Australia Limited, 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. IFC claims Willis Trading and Alice Trading for outstanding trade payables of totalling approximately AUD5.7 million, losses and damages of AUD34.2 million, costs and expenses of Arbitrations, interests and other relief. The outstanding trade payables of approximately AUD5.7 million (equivalent to approximately HK$30.4 million as at 30 September 2024) due to IFC claimed under Arbitrations were fully recognised on the books of the Group as at 30 September 2024, while at the same time, the Group has also recognised an other receivable of approximately AUD3.6 million (equivalent to approximately HK$19.6 million as at 30 September 2024) outstanding from IFC to the Group which was a prepayment made by Alice Trading to IFC for purchase of goods. Based on the advice of the Group's legal advisor, it is at present pre-mature to predict the possible outcome of the Arbitrations with certainty. However, it is not probable that the Group will be required to settle the losses and damages claimed by IFC in the sum of AUD34.2 million.

Material Capital Commitments

The Group had no material capital commitments as at 30 September 2024 (31 March 2024: Nil).

Significant Investments Held

As at 30 September 2024, the Group held 48,477,509 (31 March 2024: Nil) AHF Shares, which represents approximately 6.52% of the issued share capital of Australian Dairy as at 30 September 2024 (31 March 2024: Nil). The total investment cost of 48,477,509 AHF Shares is approximately AUD1.0 million. The investment in AHF 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 48,477,509 AHF Shares as at 30 September 2024 amounted to approximately AUD0.9 million (31 March 2024: Nil) (equivalent to approximately HK$4.7 million (31 March 2024: Nil)), representing approximately 2.6% (31 March 2024: Nil) 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$0.3 million (2023: Nil). There was no dividend received from Australian Dairy for the AHF Shares held by the Group during the six months ended 30 September 2024 (2023: Nil).

Australian Dairy and its controlled entities own and operate dairy farms, manufacture infant formula base powders, and distribute infant formulas. It is currently expected that the Group will continue to hold the 48,477,509 AHF Shares. This investment provides the Group with the opportunity to build up a relationship with Australian Dairy.

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 2024.

Material Acquisitions and Disposals

On 11 June 2024, Vantage Edge Investments Limited (the “**Purchaser**”), a direct wholly-owned subsidiary of the Company and as purchaser, entered into a sale and purchase agreement with Allied Services Holding Limited (“**Allied Services**”), as vendor, pursuant to which (i) the Purchaser shall acquire, and Allied Services shall sell one ordinary share of Smart Front Developments Limited (“**Smart Front**”), representing the entire issued share capital of Smart Front, a company which holds 80% of the issued shares of Welfit; and (ii) the shareholder’s loan of approximately HK$17.3 million shall be assigned by Allied Services to the Purchaser, at the total consideration of HK$17.5 million (the “**Acquisition (Smart Front)**”). On the same date, the Purchaser, as purchaser, entered into a sale and purchase agreement with Mr. Chow Pok Yu Augustine (“**Mr. Chow**”), as vendor, pursuant to which the Purchaser shall acquire, and Mr. Chow shall sell, 700,000 ordinary shares of Welfit, representing 20% of the issued shares of Welfit, at the consideration of approximately HK$4.4 million (the “**Acquisition (Welfit)**”). Welfit Group is principally engaged in the business of bonded warehouse storage, general warehouse storage, devanning and freight forwarder services.

Each of the Acquisition (Smart Front) and the Acquisition (Welfit) was completed on 11 June 2024. Upon completion of the Acquisition (Smart Front) and the Acquisition (Welfit), each of Smart Front and Welfit has become an indirect wholly-owned subsidiary of the Company. Details of both the Acquisition (Smart Front) and the Acquisition (Welfit) are set out in the announcement of the Company dated 11 June 2024.

On 27 June 2024, a debt settlement agreement was entered into by the Group in relation to, among other things, the acquisition of 70% of economic benefit of Shenyang Jinyi and the transfer of the rights of a shareholder's loan amounting to RMB2.4 million to the Group, in consideration of the Group agreeing to discharge the trade receivables in the sum of AUD5.1 million. Shenyang Jinyi is principally engaged in the business of, among others, e-commerce in the PRC and holds requisite permit and approval required for its e-commerce business, including but not limited to (1) Value-Added Telecommunications Business Operating License（增值電信業務經營許可證）, and (2) Online Culture Operating License（網絡文化經營許可證）. Upon the completion, Shenyang Jinyi was accounted as a 70%-owned subsidiary of the Company. Details of the transaction are set out in the announcements of the Company dated 27 June 2024 and 17 July 2024 respectively.

Save as disclosed above, the Group had no other material acquisitions and disposals of subsidiaries, associates or joint ventures for the six months ended 30 September 2024.

Events after Reporting Period

There were no significant events affecting the Group and requiring disclosure that has taken place subsequent to 30 September 2024 and up to the date of this announcement.

Arbitrations

On 19 July 2023, Willis Trading and Alice Trading, both indirect wholly-owned subsidiaries of the Company, noticed that the Arbitration Notices from IFC, were filed to ACICA for requesting 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 of AUD34.2 million 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 (totalling AUD5.7 million) were fully recognised on the books of the Group as at 30 September 2024. In response to the Arbitration Notices, Willis Trading and Alice Trading have filed statement of defence and cross claims and rejoinder.

As advised by the legal advisor, an oral hearing of the Arbitrations is re-scheduled between the end of November 2024 and early December 2024 and it is expected that arbitral award will be made by the arbitrator within 3 months from the last day of the oral hearing. It is at present pre-mature to predict the possible outcome of the Arbitrations with certainty but it is not probable that the Group will be required to settle the losses and damages claimed by IFC in the sum of AUD34.2 million.

Employees

As at 30 September 2024, the Group had 106 employees (31 March 2024: 80). Total staff cost, including Directors' emoluments, of approximately HK$8.4 million (2023: HK$3.4 million) was incurred during the six months ended 30 September 2024. 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

The Group will continually devote resources to its Milk Products Business. During the six months ended 30 September 2024, the Group completed the acquisition of 70% of economic benefit of Shenyang Jinyi, which is principally engaged in the business of e-commerce in the PRC. The Group is now integrating the e-commerce platform(s) from Shenyang Jinyi with its Milk Products Business. Through the e-commerce platform(s), the Group will further develop the online marketing and selling channel to solidify the business and enhance its competitiveness.

In addition to milk products, the Group is ahead in advancing the diversification of its product portfolio by including other foods, beverages and wines. During the six months ended 30 September 2024, the Group launched a new self-owned brand of coffee named "Ming Andy (明安迪)" for selling on the e-commerce platform(s) in the PRC. A project for bottled water for selling in the PRC is also in ongoing development.

Regarding the Logistics Business, the Group completed the acquisition of 100% interest in Welfit Group. The Group aims to increase the segment's profit by maximising the average occupancy rate of Welfit Group's warehouses. Our team will participate in striving for the opportunity to become a warehouse supplier for a large official tobacco and alcohol duty-free store. Welfit Group will also optimise its service quality and information technology systems.

For the Property Investment, the Group has been looking for a new tenant after the termination of the previous tenancy agreement. The Group will from time to time assess the role of the Property in the Group with reference to its prospects, and does not rule out the possibility of disposing of the Property in future.

Outlook

In terms of business development, the Group completed the acquisitions of each of the Welfit Group and Shenyang Jinyi on 11 June 2024 and 27 June 2024 respectively. It is expected that the acquisitions will consolidate the Group's existing Milk Products Business and Logistics Business, and strengthen the Group's competitive edge, which is in line with the Group's long-standing business strategies of "reinforcing the existing business foundation; strengthening the Group's competitive edge; and actively seeking opportunities for business development and diversification".

China and Hong Kong's economic issues have continued even though the governments have announced various measures to bolster the economy, and the recovery is affected by the high interest rate maintained by the Federal Reserve of the United States. The retail markets in China and Hong Kong appear to be a trend of slowing down. The enthusiasm for Hong Kong residents to travel abroad and the rising popularity of "northbound consumption" after the lifting of pandemic restrictions, coupled with the changing consumption pattern of visitors to Hong Kong, further impacted Hong Kong's economy and the outlook of the local retail industry. The logistics and warehousing market in Hong Kong is inevitably affected. Logistics companies need to continuously improve their service quality and introduce more advanced information technology systems to enhance their efficiency in order to meet customer demands, and thus survive and succeed in an environment of fierce competition and economic slowdown.

In recent years, the PRC milk product market, especially the infant milk market, become more uncertain and more challenging. The milk product market in the PRC is facing the pressure from the low birth rate in China, the increase in competition, the impact of more stringent food regulations, and the challenging macroeconomic conditions. While the domestic milk powder market continues to shrink as the number of new births in China continues to decline, the 2023 annual reports of a number of major foreign milk powder brands show that the performance of foreign milk powder brands in China has increased rather than declined, and that major foreign milk powder brands have continued to grow in terms of performance or market share in China in the first half of 2024. Foreign milk powder brands mainly focus on high-end products, which can have more profit margins, and the brand loyalty of their customer base is relatively higher compared to domestic brands.

Although the Group currently does not have any detailed plans for material investment or capital asset, the Group will continue to follow the Company's business strategy as described above to develop the Company's business. The Group will also focus on exploring the integration of the Group's businesses with a view to utilizing resources and assets more efficiently to create synergies among the Group's business segments.

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 C1 to the Listing Rules throughout the six months ended 30 September 2024, save and except for the deviations as follows:

On 26 January 2024, Mr. Choi Kin Man ("**Mr. Choi**"), an independent non-executive Director, and a member of each of the Audit Committee, the nomination committee (the "**Nomination Committee**") and the remuneration committee (the "**Remuneration Committee**") of the Company, passed away due to ill health. Thus, the Company has (i) two independent non-executive Directors, which results in the number of independent non-executive Directors falling below the minimum number required under Rule 3.10(1) of the Listing Rules; (ii) two members of the Audit Committee, which results in the number of the Audit Committee members falling below the minimum number required under Rule 3.21 of the Listing Rules; and (iii) only two independent non-executive Directors in the Remuneration Committee, which results in the Company's failure 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 endeavoured to find suitable candidates to fill up the vacancy arising from the passing away of Mr. Choi by seeking referrals from trusted business partners. On 25 April 2024, Mr. Tu Chunan ("**Mr. Tu**") has been appointed as an independent non-executive Director, and a member of each of the Audit Committee, the Nomination Committee and the Remuneration Committee. Following the appointment of Mr. Tu, the Company has complied with (i) the minimum number requirement of three independent non-executive Directors under Rule 3.10(1) of the Listing Rules; (ii) the minimum number requirement in the Audit Committee under Rule 3.21 of the Listing Rules; and (iii) the majority of independent non-executive Directors requirement in the Remuneration Committee under Rule 3.25 of the Listing Rules.

On 31 May 2024, Mr. Cheng Haoliang ("**Mr. Cheng**") resigned as an independent non-executive Director, and also ceased to be the chairman and a member of the Remuneration Committee, and a member of each of the Audit Committee and the Nomination Committee. Following the resignation of Mr. Cheng, the Company has (i) two independent non-executive Directors, which results in the number of independent non-executive Directors falling below the minimum number required under Rule 3.10(1) of the Listing Rules; (ii) two members of the Audit Committee, which results in the number of the 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 the 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 taken active steps (including seeking referrals and meeting with potential candidates) to find suitable candidates to fill up the vacancy arising from the resignation of Mr. Cheng. On 15 July 2024, Mr. Chen Jianguo has been appointed as an independent non-executive Director, the chairman and a member of the Remuneration Committee, and a member of each of the Audit Committee and the Nomination Committee. Thus, the Company has complied with (i) the minimum number requirement of three independent non-executive Directors under Rule 3.10(1) of the Listing Rules; (ii) the minimum number requirement in the Audit Committee under Rule 3.21 of the Listing Rules; and (iii) the chairman acting by an independent non-executive Director and the majority of independent non-executive Directors requirement in the Remuneration Committee under Rule 3.25 of the Listing Rules.

The position of the chairman of the Company (the "**Chairman**") vacated 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 C3 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 2024.

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 2024. 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 2024.

INTERIM DIVIDEND

The Board does not recommend the payment of an interim dividend for the six months ended 30 September 2024 (2023: Nil).

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

The 2024 interim report of the Company will be despatched to the shareholders of the Company upon request 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, 29 November 2024

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, Mr. Tu Chunan and Mr. Chen Jianguo.

* *For identification purposes only*