Alpha Professional Holdings Limited
阿爾法企業控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 948)

ANNOUNCEMENT OF AUDITED RESULTS FOR THE YEAR ENDED 31 MARCH 2025

The board (the "**Board**") of directors (the "**Directors**") of Alpha Professional Holdings Limited (the "**Company**") announces that the audited consolidated results of the Company and its subsidiaries (collectively, the "**Group**") for the year ended 31 March 2025 with comparative audited figures for the year ended 31 March 2024 are as follows.

The Group's audited consolidated results for the year ended 31 March 2025 in this announcement was prepared on the basis of the consolidated financial statements which have been audited by the independent auditor of the Company (the "**Auditor**") and reviewed by the audit committee of the Company (the "**Audit Committee**"). The Group has agreed with the Auditor as to the contents of this announcement.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2025

	Notes	2025 HK$'000	2024 HK$'000
Revenue	4	**40,520**	96,310
Cost of sales and services rendered		**(33,349)**	(92,243)
Gross profit		**7,171**	4,067
Net impairment losses of financial assets		**(27,220)**	(27,201)
Impairment losses on goodwill		**(3,030)**	(2,161)
Impairment losses on property, plant and equipment		**–**	(983)
Other income	5	**2,643**	3,161
Other gains and losses, net	6	**(118,826)**	(6,894)
Selling and distribution costs		**(14,815)**	(1,809)
Administrative expenses		**(41,258)**	(12,106)
LOSS FROM OPERATIONS		**(195,335)**	(43,926)
Finance costs	7	**(3,941)**	(4,448)
LOSS BEFORE TAXATION		**(199,276)**	(48,374)
Income tax credit	8	**777**	10,053
LOSS FOR THE YEAR		**(198,499)**	(38,321)
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR, NET OF INCOME TAX			
Item that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operations		**9,099**	(2,266)
Other comprehensive income/(loss) for the year, net of income tax		**9,099**	(2,266)
TOTAL COMPREHENSIVE LOSS FOR THE YEAR, NET OF INCOME TAX		**(189,400)**	(40,587)

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2025

	Notes	**2025**	2024
		HK$'000	*HK$'000*
LOSS FOR THE YEAR ATTRIBUTABLE TO:			
Owners of the Company		**(197,268)**	(38,321)
Non-controlling interests		**(1,231)**	–
		(198,499)	(38,321)
TOTAL COMPREHENSIVE LOSS FOR THE YEAR, NET OF INCOME TAX ATTRIBUTABLE TO:			
Owners of the Company		**(188,158)**	(40,587)
Non-controlling interests		**(1,242)**	–
		(189,400)	(40,587)
		HK cents	*HK cents*
LOSS PER SHARE			
Basic	*9*	**(56.5)**	(11.0)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 March 2025

	Notes	2025 HK$'000	2024 HK$'000
Non-current assets			
Investment property		**41,232**	41,350
Property, plant and equipment		**29,344**	18
Other intangible assets		**23,653**	–
Goodwill		**13,351**	–
Interests in joint venture		**–**	–
Financial assets at fair value through profit or loss		**12,228**	–
Refundable rental deposit	*11*	**3,411**	203
Deferred tax assets		**21**	–
		123,240	41,571
Current assets			
Inventories		**315**	9
Trade and other receivables	*11*	**8,060**	107,528
Prepayments		**4,658**	186
Income tax recoverable		**2,603**	1,735
Cash and cash equivalents		**10,701**	47,277
		26,337	156,735
Current liabilities			
Trade and other payables	*12*	**37,214**	45,358
Contract liabilities		**–**	172
Lease liabilities		**19,251**	675
Other borrowing		**41,081**	33,182
Provisions	*13*	**101,849**	–
Income tax payable		**115**	370
		199,510	79,757
Net current (liabilities)/assets		**(173,173)**	76,978
Total assets less current liabilities		**(49,933)**	118,549

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 March 2025

	Notes	2025 HK$'000	2024 HK$'000
Non-current liabilities			
Lease liabilities		**9,302**	316
Deferred tax liabilities		**5,477**	–
Defined benefit obligation		**422**	–
		15,201	316
Net (liabilities)/assets		**(65,134)**	118,233
Capital and reserves			
Share capital		**435,252**	435,252
Reserves		**(505,177)**	(317,019)
Equity attributable to owners of the Company		**(69,925)**	118,233
Non-controlling interests		**4,791**	–
Total (capital deficiency)/equity		**(65,134)**	118,233

1. STATEMENT OF COMPLIANCE

The consolidated financial statements have been prepared in accordance with IFRS Accounting Standard issued by the International Accounting Standards Board (the "**IASB**") and the disclosure requirements of the Hong Kong Companies Ordinance. The consolidated financial statements also comply 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**").

Going concern basis

The Group incurred a net loss of approximately HK$198,499,000 for the year ended 31 March 2025. As of that date, the Group's current liabilities exceeded its current assets by HK$173,173,000 and the Group's total liabilities exceeded its total assets by HK$65,134,000.

In view of such circumstances, the Directors have prepared a cash flow forecast of the Group covering a period of fifteen-month. In preparing the cash flow forecast, the Directors have given careful consideration to its operating needs, the future liquidity of the Group and its available sources of financing in assessing whether the Group will be able to repay the outstanding debts and be able to finance its future working capital and other financial requirements.

In addition, the Directors are undertaking a number of plans and measures to improve the Group's liquidity and financial position, including, inter alia:

(i) The Group has sought an opinion from the legal advisor and considered that the results of the Arbitrations (defined in note 13) would not result in adverse cash flow impact to the Group. Currently, operations of both Alice Trading Limited ("**Alice Trading**") and Willis Trading Limited ("**Willis Trading**"), both are indirect wholly-owned subsidiaries of the Company and the defendants of the Arbitrations, have been scaled-down due to the cessation of their business relationship with Bubs Australia Limited ("**Bubs Australia**") and its wholly-owned subsidiary, The Infant Food Company Pty Limited ("**IFC**"), the then supplier and the plaintiff of the Arbitrations. Other than the investment property held indirectly by Willis Trading through its wholly-owned subsidiary, both Alice Trading and Willis Trading hold minimal assets. The Directors, based on the legal opinion obtained, expect that the operations and assets of the Company and the other subsidiaries of the Group, all being separate legal entities, would not be affected by the Statutory Demand (defined in note 13) and the Arbitration Awards (defined in note 13).

(ii) The substantial shareholder of the Company, Ms. Chong Sok Un ("**Ms Chong**") agreed to provide financial support to the Group, particularly on 25 June 2025, Ms. Chong entered into a loan agreement with the Company for an interest-free line of credit with principal amount of HK$80,000,000 for the purpose of providing general working capital to the Group.

(iii) The Group will take a more vigilant approach in managing the progress of projects and related costs with the aim to enable the Group to attain more profitable operations by controlling costs and to improve its operating cash outflows.

Based on the cash flow forecast, assuming the above plans can be successfully implemented as scheduled, the Directors are of the opinion that the Group would have sufficient working capital to finance its operations and to meet its financial obligations as and when they fall due over the period of the cash flow forecast so as to enable the Group to continue as a going concern. Therefore, the Directors considered that it is appropriate to prepare the consolidated financial statements on a going concern basis.

The above events and conditions indicate that the existence of a material uncertainty which may cast significant doubt about the Group's ability to continue as a going concern and, therefore it may be unable to realise its assets and discharge its liabilities in the normal course of business.

The consolidated financial statements do not include any adjustments that may be necessary should the going concern basis of preparation be determined to be inappropriate. These would include any adjustments to write down the Group's assets to their net realisable amounts, to provide for any liabilities which may arise and to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively. The effect of these adjustments has not been reflected in the consolidated financial statements.

2. APPLICATION OF AMENDMENTS TO IFRS ACCOUNTING STANDARDS

The Group has applied the following amendments to IFRS Accounting Standards issued by the IASB for the first time, which are mandatorily effective for the Group's financial annual period beginning on or after 1 April 2024, to the consolidated financial statements for the current accounting year:

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 standards and amendments to IFRS Accounting Standards that are not yet mandatorily effective for the current accounting period. The application of the amendments to IFRS Accounting Standards in the current year has had no material impact on the Group's financial positions and performance for the current and prior years and/or on the disclosures set out in the consolidated financial statements.

3. 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 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 foods.

The Logistics Business derives revenue primarily from the provision of warehouse 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 (the chief operating decision maker) 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 assets 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, provisions, 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 (loss)/profit 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.

In addition to receiving segment information concerning adjusted EBITDA, executive Directors are provided with segment information concerning interest income and expense from cash balances and borrowings managed directly by the segments, depreciation, amortisation, impairment losses, valuation gain on investment property, provisions and additions to non-current segment assets used by the segments in their operations.

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 years ended 31 March 2025 and 2024 is set out below.

	Year ended 31 March 2025			
	Milk Products Business *HK$'000*	**Logistics Business** *HK$'000*	**Property Investment** *HK$'000*	**Total** *HK$'000*
Reportable segment revenue				
Disaggregated by timing of revenue recognition				
Point in time	**15,574**	**–**	**–**	**15,574**
Over time	**–**	**24,946**	**–**	**24,946**
Revenue from contracts with external customers	**15,574**	**24,946**	**–**	**40,520**
Gross rentals from investment property	**–**	**–**	**–**	**–**
Reportable segment revenue	**15,574**	**24,946**	**–**	**40,520**
Profit or loss				
Reportable segment (loss)/profit (adjusted EBITDA)	**(188,799)**	**9,074**	**2,010**	**(177,715)**
Bank interest income				**57**
Depreciation				**(10,117)**
Amortisation				**(1,705)**
Finance costs				**(3,941)**
Gain on financial assets mandatorily measured at fair value through profit or loss				**7,192**
Impairment losses on non-financial assets				**(3,030)**
Unallocated head office and corporate income and expenses other than bank interest income, depreciation and finance costs				**(10,017)**
Consolidated loss before taxation				**(199,276)**

	Year ended 31 March 2024			
	Milk Products Business *HK$'000*	Logistics Business *HK$'000*	Property Investment *HK$'000*	Total *HK$'000*
Reportable segment revenue				
Disaggregated by timing of revenue recognition				
Point in time	93,087	–	–	93,087
Over time	–	1,493	–	1,493
Revenue from contracts with external customers	93,087	1,493	–	94,580
Gross rentals from investment property	–	–	1,730	1,730
Reportable segment revenue	93,087	1,493	1,730	96,310
Profit or loss				
Reportable segment (loss)/profit (adjusted EBITDA)	(31,274)	86	1,905	(29,283)
Bank interest income				1
Depreciation				(718)
Finance costs				(4,448)
Loss on financial assets mandatorily measured at fair value through profit or loss				(5,006)
Impairment losses on non-financial assets				(3,144)
Unallocated head office and corporate income and expenses other than bank interest income, depreciation and finance costs				(5,776)
Consolidated loss before taxation				(48,374)

4. REVENUE

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

	2025	2024
	HK$'000	*HK$'000*
Revenue from contracts with customers within the scope of IFRS 15		
Disaggregated by major products or service lines		
– Sales of milk powder and foods	**15,574**	93,087
– Warehouse logistics income	**24,946**	1,493
	40,520	94,580
Revenue from other sources		
Gross rentals from investment property		
– Lease payments that are fixed	**–**	1,730
Total revenue	**40,520**	96,310

Disaggregation of revenue from contracts with customers by the timing of revenue recognition are disclosed in note 3.

(b) The following table shows the amounts of revenue recognised in the current reporting period that were included in the contract liabilities at the beginning of the reporting period:

	2025	2024
	HK$'000	*HK$'000*
Revenue recognised that was included in contract liabilities at the beginning of the reporting period:		
Sales of milk powder and foods	**172**	–

(c) Revenue expected to be recognised in the future arising from contracts with customers in existence at the reporting date:

All sales contracts with customers within the scope of IFRS 15 are for periods of one year or less. As permitted under IFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

5. OTHER INCOME

	2025	2024
	HK$'000	*HK$'000*
Interest income on financial assets measured at amortised cost		
– Bank interest income	**57**	1
Marketing service income	**106**	2,900
Sundry income	**2,480**	260
	2,643	3,161

6. OTHER GAINS AND LOSSES, NET

	2025	2024
	HK$'000	*HK$'000*
Net foreign exchange loss	**(2,831)**	(2,403)
Gain/(loss) on financial assets mandatorily measured at fair value through profit or loss		
– Listed equity securities	**7,192**	(5,006)
Fair value gain on investment property	**2,033**	515
Provisions for compensation *(note 13)*	**(125,220)**	–
	(118,826)	(6,894)

7. FINANCE COSTS

	2025	2024
	HK$'000	*HK$'000*
Interest on other borrowing	**3,270**	4,427
Interest on lease liabilities	**671**	21
Total interest expense on financial liabilities not at fair value through profit or loss	**3,941**	4,448

8. INCOME TAX

Amounts recognised in profit or loss:

	2025	2024
	HK$'000	*HK$'000*
Current tax		
– Australia Corporate income tax for the year	**–**	212
Over-provision in respect of prior years		
– Hong Kong Profits Tax	**(326)**	–
– Australia Corporate income tax	**–**	(86)
	(326)	(86)
Deferred tax – origination and reversal of temporary differences	**(451)**	1,325
Reversal of withholding tax	**–**	(11,504)
Income tax credit	**(777)**	(10,053)

Notes:

(i) The provision for Hong Kong Profits Tax for 2025 is calculated at 16.5% of the estimated assessable profits for the year, 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%.

No Hong Kong Profits Tax has been provided for in the consolidated financial statements as the Group has no assessable profits for the years ended 31 March 2025 and 2024.

(ii) The Group's subsidiaries established in the PRC are not subject to the PRC Enterprise Income Tax ("**EIT**") as they have no assessable profit for the years ended 31 March 2025 and 2024.

(iii) The Group's subsidiaries established in Australia are subject to Australia Corporate Income Tax at the rate of 30% for the year ended 31 March 2025 (2024: 30%).

(iv) The Group is not subject to any taxation under the jurisdiction of Bermuda and the British Virgin Islands ("**BVI**") for the years ended 31 March 2025 and 2024.

9. LOSS PER SHARE

(a) Basic loss per share

The calculation of basic loss per share is based on the loss for the year attributable to owners of the Company of HK$197,268,000 (2024: HK$38,321,000) and the weighted-average number of approximately 349,280,000 (2024: 349,280,000) ordinary shares in issue during the year ended 31 March 2025, calculated as follows:

	2025	2024
	'000	*'000*
Weighted-average number of ordinary shares during the year	**349,280**	349,280
Basic loss per share (HK cents per share)	**(56.5)**	(11.0)

(b) Diluted loss per share

No diluted loss per share for the years ended 31 March 2025 and 2024 is presented as there is no potential ordinary share in issue during the both years.

10. DIVIDEND

The Board does not recommend the payment of a final dividend for the year ended 31 March 2025 (2024: Nil).

11. TRADE AND OTHER RECEIVABLES

Trade and other receivables and deposits of HK$11,471,000 (2024: HK$107,731,000) included trade receivables (net of loss allowance) of HK$2,846,000 (2024: HK$84,877,000).

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

	2025	2024
	HK$'000	*HK$'000*
0 to 30 days	**1,538**	568
31 to 60 days	**927**	–
61 to 90 days	**361**	–
91 to 180 days	**20**	–
181 to 365 days	**–**	54,019
Over 365 days	**–**	30,290
	2,846	84,877

12. TRADE AND OTHER PAYABLES

Trade and other payables of HK$37,214,000 (2024: HK$45,358,000) included trade payables of HK$28,680,000 (2024: HK$28,861,000).

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

	2025	2024
	HK$'000	*HK$'000*
0 to 30 days	**578**	–
31 to 60 days	**49**	–
61 to 90 days	**12**	–
91 to 180 days	**571**	–
181 to 365 days	**51**	–
Over 365 days *(note)*	**27,419**	28,861
	28,680	28,861

Note:

The Group recognised trade payables due to IFC amounting to AUD2,665,000 by Willis Trading and AUD2,988,000 by Alice Trading (totalling AUD5,653,000) (equivalent to approximately HK$27,419,000) at 31 March 2025 (2024: totalling AUD 5,653,000 (equivalent to approximately HK$28,856,000)), which are the outstanding debts that are claimed by IFC in the Arbitration (note 13).

13. PROVISIONS

	2025	2024
	HK$'000	*HK$'000*
Analysed for reporting purposes as:		
Current liabilities	**101,849**	–

	Provisions for compensation
	HK$'000
At 1 April 2024	–
Additional provisions made *(note 6)*	125,220
Set-off against the other receivable	(17,655)
Exchange differences	(5,716)
At 31 March 2025	101,849

On 19 July 2023, Willis Trading and Alice Trading, both indirect wholly-owned subsidiaries of the Company, noticed that two notices of arbitration (the "**Arbitration Notices**") from IFC, a wholly-owned subsidiary of Bubs Australia and the then supplier of the Group, 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 "**Arbitration(s)**"). 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. For the year ended 31 March 2024, other than the recognised trade payables of approximately AUD5,653,000 (equivalent to approximately HK$27,419,000 at 31 March 2025 (2024: HK$28,856,000)), no provision was made in the consolidated financial statements for the other claims made by IFC against the Group as at 31 March 2024, as the management of the Group considered not probable that the Group would lose the Arbitrations that would result in the Group to be required to settle the losses and damages claimed.

On 28 April 2025, ACICA handed down the awards in the Arbitrations (the "**Arbitration Awards**") and ordered that Willis Trading and Alice Trading breached the sales and purchase agreements with IFC and therefore are required to settle the trade payables due to IFC. In addition, Willis Trading and Alice Trading are required to pay IFC (i) the losses and damages, costs and expenses of Arbitrations, and pre-award interests of approximately AUD1,022,000 (equivalent to approximately HK$4,958,000) and AUD23,614,000 (equivalent to approximately HK$114,546,000), respectively, and (ii) post-award interest on the outstanding amount calculated at 2% to 10% per annum from the date of the Arbitration Awards to the date of payment.

As a result, provisions were made by Willis Trading and Alice Trading for the best estimate of the expected settlement under the Arbitration Awards in relation to the trade dispute with IFC. Willis Trading and Alice Trading recognised the aggregate provisions of approximately AUD24,636,000 (equivalent to approximately HK$125,220,000) in other losses (note 6) for the year ended 31 March 2025 for the losses and damages, costs and expenses of Arbitrations, interests and other relief that would be required to settle the Arbitration Awards.

Pursuant to the Arbitration Awards granted by the ACICA, IFC may have recourse to the AUD3,640,000 (equivalent to approximately HK$17,655,000) in satisfaction of the amounts ordered to be payable by Alice Trading to IFC. Accordingly, the Directors considered such other receivable of AUD3,640,000 (equivalent to approximately HK$17,655,000) would not be recoverable anymore and therefore write off the receivable against the provision provided by Alice Trading.

Accordingly, as at 31 March 2025, the aggregate provisions recognised by Willis Trading and Alice Trading amounted to AUD20,996,000 (equivalent to approximately HK$101,849,000).

Further to the handing down of the Arbitration Awards and an application made by IFC, the Federal Court of Australia ("**FCA**") issued a freezing order (the "**Freezing Order**") against Willis Trading, GA Australia Investment Pty Ltd ("**GA Investment**") (a wholly-owned subsidiary of Willis Trading) and GA Australia Trading Pty Ltd (a wholly-owned subsidiary of GA Investment) (collectively, "**Freezing Order Respondent(s)**") on 2 May 2025, whereby it is ordered that, among others, each Freezing Order Respondent must not remove from Australia or in any way dispose of, deal with or diminish the value of its assets in Australia and throughout the world up to the unencumbered value of the award debt. As at 31 March 2025, the main assets of Willis Trading and its subsidiaries comprise an investment property, being a land parcel in Australia together with all buildings and structures erected thereon, which carried at HK$41,232,000 at 31 March 2025. The other current assets of Willis Trading and its subsidiaries amounted to HK$2,078,000 at 31 March 2025.

Further on 2 June 2025, Alice Trading received a statutory demand (the "**Statutory Demand**") from the solicitors acting on behalf of IFC pursuant to Sections 178(1)(a) or 327(4)(a) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong), demanding Alice Trading to pay, among others, the judgment debt of Alice Trading under the Arbitration Award of the Arbitration between IFC and Alice Trading (the "**AT Arbitration**"), interest and IFC's costs for the AT Arbitration (the "**Debt**"). According to the Statutory Demand, Alice Trading is required to pay the Debt within three weeks from the date of service of the Statutory Demand on 2 June 2025, failing which IFC may present a winding-up petition against Alice Trading.

EXTRACT FROM INDEPENDENT AUDITORS' REPORT

The section below set out an extract of the independent auditors' report regarding the consolidated financial statements of the Group for the year ended 31 March 2025.

OPINION

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 March 2025, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

MATERIAL UNCERTAINTY RELATED TO GOING CONCERN

We draw attention to note 2(c) in the consolidated financial statements, which indicates that the Group incurred a net loss of HK$198,499,000 for the year ended 31 March 2025. As of that date, the Group's current liabilities exceeded its current assets by HK$173,173,000 and the Group's total liabilities exceeded its total assets by HK$65,134,000. These conditions, along with other matters as set forth in note 2(c), indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

MANAGEMENT DISCUSSION AND ANALYSIS

Financial Results

The revenue of the Group for the year ended 31 March 2025 was approximately HK$40.5 million (2024: HK$96.3 million), representing a decrease of 57.9% compared to the previous year. The substantial drop in revenue was mainly due to a drop in sales volume of milk powder and revenue from the Property Investment. The loss for the year was approximately HK$198.5 million (2024: HK$38.3 million). The basic loss per share amounted to HK56.5 cents (2024: HK11.0 cents). The significant loss for the year ended 31 March 2025 was primarily attributable to the combined effect of:

(i) a loss of approximately Australian dollars ("**AUD**") 24.6 million (equivalent to approximately HK$125.2 million) was recognised as a "provisions for compensation" pursuant to the Arbitration Awards handed down on 28 April 2025 by ACICA on the Arbitrations between IFC and each of Willis Trading and Alice Trading. According to the accounting standards applicable to the Group, the financial impacts of the Arbitration Awards constitute adjusting events after the reporting period since Willis Trading and Alice Trading have present obligations at the end of the reporting period, and accordingly, a loss is required to be reflected in the Group's consolidated financial statements for the year ended 31 March 2025;

(ii) an unrealised gain of approximately HK$7.2 million arising from changes in fair value of financial assets at fair value through profit or loss;

(iii) a significant increase of approximately HK$13.0 million in selling and distribution costs was recorded during the year ended 31 March 2025, which was mainly due to an increase in staff costs resulting from the growth in the number of sales staff for the operations of the Milk Products Business (including the e-commerce platform(s) newly acquired by the Group during the year ended 31 March 2025); and

(iv) a significant increase of approximately HK$29.2 million in administrative expenses was recorded during the year ended 31 March 2025, which was mainly due to the increase in legal and professional fees and an increase in staff costs resulting from the growth in the number of administrative staff for the operations of the Milk Products Business (including the newly acquired e-commerce platform(s)) as well as the Group's logistics services business segment.

Business Review

For the year ended 31 March 2025, 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**") and Hong Kong. On 27 June 2024, through contractual arrangements, 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 year ended 31 March 2025, the Group successfully invited several overseas milk powder brands to join such platform(s) for selling their products in the PRC. Considering the diversification of the Group's trading business, foods, personal care and household products can also be found on Shenyang Jinyi's platform.

As strategic investment, the Group completed in September 2024, 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 the Australian Securities Exchange ("**ASX**") (ASX stock code: AHF). Australian Dairy and its controlled entities own and operate dairy farms, manufacture infant formula base powders, and distribute infant formulas. Details of the transaction are set out in the announcement of the Company dated 5 September 2024.

For the year ended 31 March 2025, the revenue of the Milk Products Business was approximately HK$15.6 million (2024: HK$93.1 million), and the decrease in revenue was mainly due to drop in sales volume of milk powder. The reportable segment loss (adjusted EBITDA) was approximately HK$188.8 million (2024: HK$31.3 million). The significant increase in reportable segment loss was mainly due to the inclusion of the HK$125.2 million of provisions for compensation for arbitration claim provided by Willis Trading and Alice Trading and increase in legal and professional fee and staff cost. The staff number under Milk Product Business grew since March 2024 for the expansion of the business in the PRC.

A goodwill of approximately HK$11.4 million was recognised by the Group when Shenyang Jinyi was acquired. According to the Group's accounting policy, goodwill is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any. A cash-generating unit (the "**CGU**") to which goodwill has been allocated is tested for impairment annually or more frequently whenever there is indication that the unit may be impaired. For the purposes of impairment testing, the carrying amount of goodwill HK$11.4 million has been allocated to the CGU including the whole Milk Products Business (the "**Milk Products Business CGU**"). The recoverable amount of the Milk Products Business CGU is determined based on value-in-use calculation which requires the use of assumptions. According to aforesaid market situation and financial performance of Milk Products Business CGU, the management updated a future cash flow projections. A valuation on the value-in-use based on the updated future cash flow projections was carried out by an independent firm of valuer in Hong Kong, and impairment losses on goodwill amounting to approximately HK$3.0 million was recognised for the year ended 31 March 2025.

Logistics Business

To further expand its Logistics Business, the Group completed the acquisition of 100% interests in Welfit (HK) Limited ("**Welfit**") and its subsidiaries (the "**Welfit Group**") on 11 June 2024. Welfit Group's principal business is 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 business for more than 30 years. Welfit Group provide 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.

For the year ended 31 March 2025, the revenue of the Logistics Business was approximately HK$24.9 million (2024: HK$1.5 million) and the reportable segment profit (adjusted EBITDA) was approximately HK$9.1 million (2024: 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 AUD7.5 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 31 March 2025, the fair value of the Property was estimated at approximately AUD8.5 million (31 March 2024: AUD8.1 million) (equivalent to approximately HK$41.2 million (2024: HK$41.4 million)), representing approximately 27.6% (2024: 20.9%) of the total assets of the Group.

For the year ended 31 March 2025, the Group was looking for a new tenant for the Property (2024: the Property was leased to a lessee and generated rental income to the Group of approximately HK$1.7 million). The reportable segment profit (adjusted EBITDA) was approximately HK$2.0 million (2024: HK$1.9 million).

Financial Review

Financial Resources, Liquidity and Capital Structure

The Group's capital expenditure, daily operations and investments during the year ended 31 March 2025 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. During the year ended 31 March 2025, an additional loan of HK$10.0 million was granted by AP Diamond Limited (as lender) (the "**Lender**"), a third party lender.

As at 31 March 2025, the Group had current assets of approximately HK$26.3 million (2024: HK$156.7 million) and current liabilities of approximately HK$199.5 million (2024: HK$79.8 million). The liquidity of the Group as evidenced by the current ratio (current assets over current liabilities) was 0.13 times (2024: 1.97 times).

As at 31 March 2025, the Group maintained cash and cash equivalents of approximately HK$10.7 million (2024: HK$47.3 million), of which 81.8% (2024: 80.5%) were denominated in Hong Kong dollars ("**HK$**") or United States dollars ("**US$**"), 12.7% (2024: 2.4%) were denominated in Renminbi and 4.0% (2024: 17.1%) were denominated in AUD. The decrease of cash and cash equivalents of approximately HK$36.6 million as compared to the position as at 31 March 2024 was mainly due to the net cash outflow in operating activities and 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 31 March 2025, the trade and other receivables of the Group were approximately HK$11.5 million (31 March 2024: HK$107.7 million), the decrease of which was mainly attributable to the settlement of the outstanding trade receivables from customers under the Milk Products Business during the year ended 31 March 2025, the decrease in sales of products for the Milk Products Business, and the increase in loss allowance for trade receivables provided by 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 31 March 2025 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$53.2 million (2024: HK$33.3 million) as at 31 March 2025 and resulted a net impairment losses of trade receivable of HK$22.5 million (2024: HK$25.5 million) for the year ended 31 March 2025.

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 from its major customers, and noted that there has been settlement of invoices from its customers from time to time, whereby they have arranged payment and discharged with assets of approximately AUD12.1 million (equivalent to approximately HK$58.7 million) during the year ended 31 March 2025; 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).

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 the 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$37.2 million as at 31 March 2025.

As at 31 March 2025, the Group had an outstanding borrowing of approximately HK$41.1 million (2024: HK$33.2 million) repayable within one year. There was no outstanding borrowing repayable after one year (2024: Nil). The Group's outstanding borrowing of HK$10.0 million was denominated in HK$ while the remaining was denominated in AUD and was charged with interest at floating rate.

After considering that the trade payables of AUD5.7 million (equivalent to approximately HK$27.4 million) due to IFC had already been recognised and by writing off the other receivable of AUD3.6 million (equivalent to approximately HK$17.7 million) due from IFC against provisions to be provided, provisions amounting to AUD21.0 million (equivalent to approximately HK$101.8 million) was recognised under current liabilities for compensating the arbitration claims according to the Arbitration Awards.

The gearing ratio (calculated by net debt over total equity) of the Group as at 31 March 2025 was as follows:

	At 31 March 2025 HK$'000	At 31 March 2024 HK$'000
Total debt (sum of current liabilities and non-current liabilities)	**214,711**	80,073
Less: cash and cash equivalents	**(10,701)**	(47,277)
Net debt	**204,010**	32,796
Total (capital deficiency)/equity	**(65,134)**	118,233
Gearing ratio	**(313.2%)**	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 year ended 31 March 2025, the Group did not use any financial instruments for hedging purposes and the Group did not have any hedging instruments outstanding as at 31 March 2025.

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 the third party Lender, for a loan facility (the "**Loan Facility**"), and the Group had utilised approximately HK$41.1 million under it as at 31 March 2025 (2024: approximately HK$33.2 million). The Loan Facility was guaranteed by the Company and GA Australia Investment Pty Limited ("**GA 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, respectively, of a first fixed and floating charge over each of the Company's and Willis Trading's undertaking, property and assets as security for the due payment of all monies payable under the Loan Facility; (ii) a mortgage entered by GA Investment to create the pledge of the Property to the Lender; (iii) a security deed entered by GA 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 Investment to the Lender.

Contingent Liabilities

The Group had no contingent liabilities as at 31 March 2025. (2024: On 19 July 2023, Willis Trading and Alice Trading noticed that two Arbitration Notices from IFC were filed to the ACICA for requesting Arbitrations regarding the outstanding debt due by Willis Trading and Alice Trading, respectively. 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 approximately 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$28.9 million) due to IFC claimed under Arbitrations were fully recognised on the books of the Group as at 31 March 2024, while at the same time, the Group has also recognised an other receivable of approximately AUD3.6 million (equivalent to approximately HK$18.6 million) outstanding from IFC to the Group which was a prepayment previously made by Alice Trading to IFC for purchase of goods.)

Material Capital Commitments

The Group had no material capital commitments as at 31 March 2025 (2024: Nil).

Significant Investments Held

As at 31 March 2025, the Group held 48,477,509 (2024: Nil) AHF Shares, which represents approximately 6.52% of the issued share capital of Australian Dairy as at 31 March 2025 (2024: Nil). The total investment cost of 48,477,509 AHF Shares is approximately AUD1.0 million (equivalent to approximately HK$5.0 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 31 March 2025 amounted to approximately AUD2.5 million (2024: Nil) (equivalent to approximately HK$12.2 million (2024: Nil)), representing approximately 8.2% (2024: Nil) of the total assets of the Group, resulting in an unrealised gain arising from changes in fair value of financial assets at fair value through profit or loss of approximately HK$7.2 million (2024: Nil). There was no dividend received from Australian Dairy for the AHF Shares held by the Group during the year ended 31 March 2025 (2024: Nil).

Australian Dairy is a company incorporated in Australia, the shares of which are listed on ASX (ASX stock code: AHF). 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 year ended 31 March 2025.

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 disposal of subsidiaries, associates or joint ventures for the year ended 31 March 2025.

Litigation

On 19 July 2023, Willis Trading and Alice Trading, both indirect wholly-owned subsidiaries of the Company, noticed that two Arbitration Notices from IFC, were filed to ACICA for requesting Arbitrations regarding the outstanding debt due by Willis Trading and Alice Trading, respectively. The Arbitrations were accepted by the ACICA on 26 July 2023. On 28 April 2025, the ACICA handed down the Arbitration Awards, whereby it is ordered that, among others:

(i) Willis Trading shall pay to IFC an amount of approximately AUD3.7 million (being AUD2.7 million outstanding under the agreement with IFC, costs and pre-award interests, less the amount payable by IFC to Willis Trading) and the post-award interests on the awarded amount up to the date of payment; and

(ii) Alice Trading shall pay to IFC an amount of approximately AUD23.0 million (being AUD3.0 million outstanding under the agreement with IFC, damages, costs and pre-award interests, less an amount of approximately AUD3.6 million to be set off from the amount payable by Alice Trading to IFC) and the post-award interests on the awarded amount up to the date of payment.

The Board deeply regrets the decision by ACICA.

Events After the End of the Reporting Period

On 28 April 2025, the ACICA handed down the Arbitration Awards to each of Willis Trading and Alice Trading. According to accounting standards applicable to the Group, the financial impacts of the Arbitration Awards constitute adjusting events after the reporting period since Willis Trading and Alice Trading have present obligations at the end of the reporting period, and accordingly, the financial impacts are required to be reflected in the Group's consolidated financial statements for the year ended 31 March 2025. As a result, additional provision of approximately HK$101.8 million was made as liabilities and a loss of approximately HK$125.2 million was recognised pursuant to Arbitration Awards in the consolidated financial statements for the year ended 31 March 2025.

On 2 May 2025, FCA issued a Freezing Order against Freezing Order Respondents, whereby it is ordered that, among others, (i) each Freezing Order Respondent must not remove from Australia or in any way dispose of, deal with or diminish the value of its assets in Australia and throughout the world up to the unencumbered value of the award debt amounting to AUD3.7 million; and (ii) the Freezing Order Respondents shall inform IFC of details of their respective assets within five working days from the date of being served with the Freezing Order. An affidavit verifying the Freezing Order Respondents' respective assets under the Freezing Order was provided by Willis Trading on 19 May 2025. Willis Trading had submitted to the FCA an interlocutory application for an order to vacate the Freezing Order, which was dismissed by the FCA on 19 June 2025.

Reference is made to the Loan Facility granted by the Lender (as lender) (a third party to the Company) to Willis Trading (as borrower) which shall be repaid on 16 June 2025 originally. The Loan Facility was secured by, among others, (i) a security by GA Investment in favour of the Lender, which covers a mortgage of the Property; (ii) debentures incorporating first fixed and floating charge over the undertaking, property and assets of Willis Trading and the Company, respectively; (iii) a grant of security interest by Willis Trading in favour of the Lender in the shares of GA Investment and financial accommodation made available by Willis Trading to GA Investment; (iv) a guarantee by the Company in favour of the Lender; and (v) a guarantee and indemnity by GA Investment in favour of the Lender (collectively, the "**Securities**"). On 7 May 2025, Willis Trading received a demand letter (the "**Demand Letter**") from the Lender (via its legal advisers) informing Willis Trading that it failed to pay interest accrued on the outstanding principal of the Loan Facility in the amount of approximately HK$0.3 million, constituting a default of the Loan Facility, and that the indebtedness and all other sums payable under the Loan Facility shall immediately become due and payable. Accordingly, the Lender demanded Willis Trading to repay the outstanding indebtedness under the Loan Facility as at 7 May 2025, comprising the amounts of AUD6.5 million (equivalent to approximately HK$32.6 million at 7 May 2025) and approximately HK$10.7 million (collectively, the "**Indebtedness**") by 9 May 2025, failing which the Lender shall proceed with enforcing the Securities and pursue all necessary actions against Willis Trading as well as any other securing parties for recovery of the Indebtedness together with all legal costs and expenses without further notice. Subsequently, the Lender also issued demand letters to the Company and GA Investment on 7 May 2025 and 9 May 2025 respectively demanding the Company and GA Investment to pay to the Lender the Indebtedness.

On 2 June 2025, Alice Trading received a Statutory Demand from the solicitors acting on behalf of IFC pursuant to Sections 178(1)(a) or 327(4)(a) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong), demanding Alice Trading to pay, among others, the judgment Debt of Alice Trading under the Arbitration Award of AT Arbitration. According to the Statutory Demand, Alice Trading is required to pay the Debt within three weeks from the date of service of the Statutory Demand, failing which IFC may present a winding-up petition against Alice Trading.

On 18 June 2025, the solicitors acting on behalf of IFC served a notice to Alice Trading enclosing an order ("**AT Court Order**") by the Court of First Instance of the High Court of Hong Kong ("**HK Court**") dated 16 June 2025, pursuant to which it was ordered that (i) IFC do have leave to enforce the Arbitration Award dated 28 April 2025 in the Arbitration between IFC and Alice Trading in the same manner as a judgment or order of the HK Court to the same effect, and (ii) within 14 days after service of the AT Court Order on Alice Trading, Alice Trading may apply to set aside the AT Court Order, and the award shall not be enforced until after the expiration of that period or, if Alice Trading applies within the period to set aside the AT Court Order, until after the application is finally disposed of.

Furthermore, on 18 June 2025, the solicitors acting on behalf of IFC served a notice to Willis Trading enclosing an order ("**WT Court Order**") by the HK Court dated 16 June 2025, pursuant to which it was ordered that (i) IFC do have leave to enforce the Arbitration Award dated 28 April 2025 in the Arbitration between IFC and Willis Trading in the same manner as a judgment or order of the HK Court to the same effect, and (ii) within 14 days after service of the WT Court Order on Willis Trading, Willis Trading may apply to set aside the WT Court Order, and the Arbitration Award shall not be enforced until after the expiration of that period or, if Willis Trading applies within the period to set aside the WT Court Order, until after the application is finally disposed of.

Both Willis Trading and Alice Trading are incorporated in Hong Kong, the operations of them have no choice but to be scaled-down after the cessation of business relationships with Bubs Australia from around July 2023. Alice Trading now holds only minimal assets, while the main assets of Willis Trading and its subsidiaries (i.e. Freezing Order Respondents) comprise the Property under the business segment of Property Investment, and the Property was mortgaged as part of the Securities to the Lender for the grant of the Loan Facility to Willis Trading and was vacant since April 2024. As understood from the Company's legal advisors, a parent company is in generally speaking insulated from legal liability arising out of the activities of its subsidiaries. The Board expects that the operation of the Company and the businesses under the other subsidiaries of the Group will not be affected by either the Arbitrations nor the Freezing Order. The board deeply regrets the decision by ACICA, and the management of Willis Trading and Alice Trading are in the course of seeking legal advice on the possible actions to take to resolve the issues arising from the Arbitrations.

After receiving the Demand Letter from the Lender, Willis Trading attempted to communicate with the Lender regarding the situation of Willis Trading and to negotiate possible actions to resolve the issues arising from the breach of the Loan Facility. As abovementioned, the main assets of Willis Trading and its subsidiaries comprise the Property under the business segment of Property Investment, and the Property was mortgaged as part of the Securities to the Lender. Considering the fair value of the Property as at 31 March 2025, amounting to AUD8.5 million, is nearly enough to settle the Indebtedness if the Lender enforces the Securities, it is expected that the Company will not be required to provide any additional financial assistance to Willis Trading in connection with the Loan Facility.

Considering the insolvent financial position of each of Willis Trading and Alice Trading, the Demand Letter received by Willis Trading and the Statutory Demand served to Alice Trading, the management of Willis Trading and Alice Trading will consider all possible measures to mitigate the issues and to safeguard the interests of Willis Trading and Alice Trading, but cannot eliminate the possibility of winding up petition(s) to be initiated by the creditors.

On 25 June 2025, the Company and Ms. Chong Sok Un ("**Ms. Chong**"), a substantial shareholder of the Company, who beneficially holds 59.27% interests in the Company, entered into a loan agreement, in which Ms. Chong agrees to provide an interest free line of credit up to HK$80.0 million to the Company for 18 months from the date of the agreement. The Board has approved the loan and agreed that the loan transaction is conducted on normal commercial terms or better, and is not secured by any assets of the Group.

Employees

As at 31 March 2025, the Group had 104 employees (2024: 80). Total staff cost, including Directors' emoluments, of approximately HK$24.4 million (2024: HK$6.9 million) was incurred during the year ended 31 March 2025. 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 has adopted a share option scheme. No share option has been granted, exercised, cancelled or lapsed since its adoption.

The Group provides employees with training and development courses which cover various areas, including orientation, leadership and management skills and on-job training etc. The goal is to improve employees' efficiency, knowledge and skills for discharging their duties at work, as well as to better equip themselves for achieving outstanding performance and maintaining intellectual curiosity. Employees are encouraged to plan their own training schedules and to choose their training sources with flexibility.

Corporate strategies

The Group is dedicated to emphasise shareholders' values through persistent improvement in its business performance and commitment to its core values, which emphasises fulfilling social responsibilities, satisfying customers' needs, and promoting employees' development.

Business Development

The Group will continually devote resources to its Milk Products Business. During the year ended 31 March 2025, 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 from Shenyang Jinyi with its Milk Products Business. Through the e-commerce platform, 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 year ended 31 March 2025, the Group launched a new self-owned brand of coffee named "Ming Andy（明安迪）", which is available for sale on the e-commerce platform in the PRC.

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. Welfit Group will continue to optimise its service quality and information technology systems.

Outlook

The Group completed the acquisitions of each of the Welfit Group and Shenyang Jinyi on 11 June 2024 and 27 June 2024, respectively. These acquisitions are expected to strengthen the Group's existing Milk Products Business and Logistics Business, consolidating the Group's competitive edge. This aligns 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". To build up the relationship with Australian Dairy, the Group completed the subscription of 48,477,509 AHF Shares in September 2024. The launch of Australian Dairy's "Future" brand in the PRC in April 2025 has further expanded its presence, with products now available on the Group's e-commerce platform.

China and Hong Kong continue to face economic headwinds, despite government measures to stabilise growth. Hong Kong's economic growth is expected to remain moderate in 2025. The retail markets in Hong Kong appear to be a trend of slowing down affected by the high interest rate maintained by the Federal Reserve of the United States. 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. The recent Sino-United States tariff tensions may disrupt supply chains and increase costs. Despite the United States having temporarily reduced its reciprocal tariffs, the market closely observes the outcome of discussions between China and the United States, hoping for policy adjustments to ease economic uncertainty. To mitigate various adverse economic and political challenges, 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, particularly the infant milk market, has become increasingly uncertain and challenging. The milk product market in the PRC is facing pressure from the country's low birth rate, increased competition, stricter food regulations, and challenging macroeconomic conditions. While the domestic milk powder market continues to shrink as the number of new births in China continues to decline, several 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 2024. Recent data suggest that demand on "English Label Products" are growing in China following the COVID period, indicating that Chinese consumers are increasingly seeking high-quality overseas products at a reasonable price. By focusing on high-end products, foreign milk powder brands can generally have higher profit margins, and their customer base tends to have stronger brand loyalty 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 utilising 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 year ended 31 March 2025, save and except for the deviation 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 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 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 the vacancy arising from the resignation of Mr. Cheng. On 15 July 2024, Mr. Chen Jianguo ("**Mr. Chen**") 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**") was vacated upon the resignation of the former Chairman and those responsibilities continued to be shared among the members of the Board since 1 October 2022. During the year, 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 Transactions 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 year ended 31 March 2025.

AUDIT COMMITTEE REVIEW

The Audit Committee has reviewed with the management of the Company the accounting principles and practices adopted by the Group and the financial statements for the year ended 31 March 2025.

SCOPE OF WORK OF CROWE (HK) CPA LIMITED

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income, and the related notes thereto for the year ended 31 March 2025 as set out in the preliminary announcement have been agreed by the Group's auditors, Crowe (HK) CPA Limited, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by Crowe (HK) CPA Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Crowe (HK) CPA Limited on the preliminary announcement.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the listed securities of the Company for the year ended 31 March 2025.

DIVIDEND

The Board does not recommend the payment of a final dividend for the year ended 31 March 2025 (2024: Nil).

ANNUAL GENERAL MEETING

The annual general meeting of the Company (the "**AGM**") is scheduled to be held on Tuesday, 9 September 2025 and the notice of AGM will be published and issued to the shareholders of the Company ("**Shareholders**") as required by the Listing Rules in due course.

CLOSURE OF REGISTER OF MEMBERS

For the purpose of determining Shareholders' entitlement to attend and vote at the AGM, the register of members of the Company will be closed from Thursday, 4 September 2025 to Tuesday, 9 September 2025, both days inclusive, during which period no transfer of shares of the Company (the "**Shares**") will be registered. In order to be eligible to attend and vote at the AGM, unregistered holders of the Shares should ensure that all transfer documents accompanied by the relevant share certificates must be lodged with the Company's share registrar, Tricor Investor Services Limited of 17/F., Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. on Wednesday, 3 September 2025.

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

The 2025 annual report of the Company will be despatched to the Shareholders upon request and made available on the website of the Stock Exchange (http://www.hkexnews.hk) and of the Company (http://www.hk-alpha.com) in due course. The audited consolidated results of the Group for the year ended 31 March 2025 set out above does not constitute the Company's statutory financial statements but is extracted from the consolidated financial statements for the year ended 31 March 2025 to be included in the 2025 annual report of the Company.

ACKNOWLEDGEMENT

On behalf of the Board, I would like to express my gratitude to the Company's management team and all staff for their continuous effort and contributions to the Group. Their excellence and commitment are of vital importance in enhancing the Company's sustainability. I also take this opportunity to extend my thanks to the Shareholders for their support and confidence in us.

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

Hong Kong, 30 June 2025

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*