THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Alpha Professional Holdings Limited, you should at once hand this circular to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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

(Incorporated in Bermuda with limited liability)

(Stock Code: 948)

MAJOR TRANSACTION
IN RELATION TO DISPOSAL OF 70% ECONOMIC BENEFIT IN THE TARGET COMPANY

Capitalised terms used on this cover shall have the same meanings as those defined in this circular, unless the context requires otherwise.

A letter from the Board is set out on pages 6 to 14 of this circular.

This circular is despatched to the Shareholders for information purpose only, and written Shareholder's approval has been obtained from a Shareholder pursuant to Rule 14.44 of the Listing Rules in lieu of holding a general meeting of the Company.

23 January 2026

* *For identification purpose only*

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In this circular, unless the context otherwise requires, the following expressions shall have the following meanings:

"2024 Announcement"	the announcement of the Company dated 27 June 2024 regarding the discloseable transaction for the acquisition of 70% Economic Benefit in the Target Company
"ACICA"	the Australian Centre for International Commercial Arbitration
"Alice Trading"	Alice Trading Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company
"Announcement"	the announcement dated 30 September 2025 published by the Company on the Disposal
"Arbitration(s)"	the arbitration(s) between Alice Trading or Willis Trading (as the case may be) and IFC
"Arbitration Award(s)"	the award(s) in the Arbitration(s) handed down by the ACICA on 28 April 2025
"AUD"	Australian Dollar, the lawful currency of Australia
"Board"	the board of Directors
"Business Day(s)"	any day (other than a Saturday, Sunday or public holiday) on which licensed banks are generally open for business in Hong Kong throughout their normal business hours
"Company"	Alpha Professional Holdings Limited, a company incorporated in Bermuda with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 948)
"Completion"	the completion of the Disposal in accordance with the terms and conditions of the Sale and Purchase Agreement
"Completion Date"	the date of the Completion, being the date falling 14 Business Days after the fulfillment (or waiver) of the Conditions or such other date as the parties to the Sale and Purchase Agreement may agree in writing

"Condition(s)"	the conditions precedent as set out in the Sale and Purchase Agreement to be fulfilled (or, if applicable, waived) prior to the Completion
"connected person(s)"	has the same meaning ascribed thereto under the Listing Rules
"Consideration"	the consideration for the Disposal in the aggregate sum of HK$27,500,000
"Contractual Arrangements"	the series of contractual arrangements through which the Economic Benefit was acquired by the WFOE from the Registered Shareholder, which comprise the Exclusive Business Cooperation Agreement, the Exclusive Option Agreement, the Equity Pledge Agreement, the Power of Attorney and Undertaking Letter, and the Spouse Undertaking, entered into by and/or among the WFOE, the Target Company, the Registered Shareholder and the spouse of the Registered Shareholder (as the case may be) on 27 June 2024
"Director(s)"	director(s) of the Company
"Disposal"	the sale of the Economic Benefit and the rights of the Shareholder's Loan from the WFOE to the Purchaser pursuant to the terms and conditions of the Sale and Purchase Agreement
"Economic Benefit"	70% of the economic benefit of the Target Company subject to the Disposal by the WFOE to the Purchaser in accordance with the terms and conditions of the Sale and Purchase Agreement
"Encumbrances"	any mortgage, charge, pledge, lien (otherwise than arising by statute or operation of law), assignment, hypothecation and adverse claims, or other encumbrance, priority or security interest or other third party rights or interests over or in any property or assets of whatsoever nature

"Equity Pledge Agreement"	the equity pledge agreement entered into by and among the WFOE, the Registered Shareholder and the Target Company on 27 June 2024, details of which are set out in the section headed "CONTRACTUAL ARRANGEMENTS – Principal Terms of the Structured Contracts – (3) Equity Pledge Agreement" in the 2024 Announcement
"Exclusive Business Cooperation Agreement"	the exclusive business cooperation agreement entered into between the WFOE and the Target Company on 27 June 2024, details of which are set out in the section headed "CONTRACTUAL ARRANGEMENTS – Principal Terms of the Structured Contracts – (1) Exclusive Business Cooperation Agreement" in the 2024 Announcement
"Exclusive Option Agreement"	the exclusive option agreement entered into among the WFOE, the Registered Shareholder and the Target Company on 27 June 2024, details of which are set out in the section headed "CONTRACTUAL ARRANGEMENTS – Principal Terms of the Structured Contracts – (2) Exclusive Option Agreement" in the 2024 Announcement
"Group"	the Company and its subsidiaries
"HK$"	Hong Kong dollar(s), the lawful currency of Hong Kong
"Hong Kong"	Hong Kong Special Administrative Region of the PRC
"IFC"	The Infant Food Company Pty Limited
"Independent Third Party(ies)"	third party(ies) independent of the Company and any connected person(s) of the Company and not a connected person of the Company
"Latest Practicable Date"	21 January 2026, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Main Board"	Main Board of the Stock Exchange (excludes the option market) operated by the Stock Exchange which is independent from and operated in parallel with the GEM of the Stock Exchange

"Power of Attorney and Undertaking Letter"	the power of attorney and undertaking letter entered into among the WFOE, the Registered Shareholder and the Target Company on 27 June 2024, details of which are set out in the section headed ''CONTRACTUAL ARRANGEMENTS – Principal Terms of the Structured Contracts – (4) Power of Attorney and Undertaking Letter'' in the 2024 Announcement
"PRC"	the People's Republic of China, and for the purposes of this circular only, excludes Hong Kong, the Macao Special Administrative Region of the PRC and Taiwan
"Purchaser"	Stlet International Group Limited, a company established in the British Virgin Islands with limited liability, being an Independent Third Party
"Registered Shareholder"	Mr. Zhang Xuekun(張學坤), a shareholder of the Target Company holding 99% of its equity interest
"RMB"	Renminbi, the lawful currency of the PRC
"Sale and Purchase Agreement"	the agreement for sale and purchase in relation to the Economic Benefit and the Shareholder's Loan dated 30 September 2025 entered into by and among the WFOE as vendor and the Purchaser as purchaser in relation to the Disposal
"SFO"	Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong)
"Share(s)"	the ordinary share(s) in the share capital of the Company
"Shareholder(s)"	the holder(s) of the Share(s)
"Shareholder's Loan"	the shareholder's loan owed by the Target Company to the WFOE in the sum of RMB2,247,362.66 (equivalent to approximately HK$2,460,412.64) immediately before Completion

"Spouse Undertaking"	the spouse undertaking dated 27 June 2024 and given by the spouse of the Registered Shareholder, details of which are set out in the section headed "CONTRACTUAL ARRANGEMENTS – Principal Terms of the Structured Contracts – (5) Spouse undertaking" in the 2024 Announcement
"Statutory Demand"	the statutory demand from the solicitors acting on behalf of IFC
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Target Company"	Shenyang Jinyi e-commerce Co., Ltd.*(瀋陽金蟻電子商務有限公司), a company established under the laws of the PRC with limited liability, owned as to 99% and 1% by the Registered Shareholder and Mr. Li Yue(李越) respectively
"Target Group"	the Target Company and its subsidiaries
"WFOE"	Jineng Life Technology (Hangzhou) Co., Ltd.*(機能生命科技(杭州)有限公司) formerly known as Hangzhou Mingandi E-commerce Co., Ltd.*(杭州明安迪電子商務有限公司), a wholly foreign owned enterprise established in the PRC with limited liability, an indirect wholly-owned subsidiary of the Company
"Willis Trading"	Willis Trading Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company
"%"	per cent.

In this circular, unless otherwise stated, translations of Renminbi into Hong Kong dollars or vice versa have been calculated by using an exchange rate of RMB1.00 equal to HK$1.0948. Such exchange rate has been used, where applicable, for the purpose of illustration only and does not constitute a representation that any amounts were, may have been or will be exchanged at such rate or any other rates or at all.

* *For identification purpose only*

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

(Incorporated in Bermuda with limited liability)

(Stock Code: 948)

Executive Director:
Mr. Zhao Lei *(Chief Executive Officer)*

Independent Non-Executive Directors:
Mr. Li Chak Hung
Mr. Tu Chunan
Mr. Chen Jianguo
Ms. Huang Xin

Registered Office:
The Penthouse, 5 Reid Street
Hamilton, HM 11, Bermuda

Head office and principal place of business in Hong Kong:
Room 1902, 19th Floor
Allied Kajima Building
138 Gloucester Road
Wanchai
Hong Kong

23 January 2026

To the Shareholders

Dear Sir or Madam,

MAJOR TRANSACTION
IN RELATION TO DISPOSAL OF 70% ECONOMIC BENEFIT IN THE TARGET COMPANY

INTRODUCTION

Reference is made to the Announcement. The purpose of this circular is to provide you with, among other things, further information on the Disposal.

* *For identification purpose only*

THE DISPOSAL

On 30 September 2025, the WFOE (being an indirect wholly-owned subsidiary of the Company) entered into the Sale and Purchase Agreement with the Purchaser, pursuant to which, the WFOE shall sell and the Purchaser shall purchase the Economic Benefit of the Target Company and the rights of the Shareholder's Loan owed by the Target Company to the WFOE at the aggregate Consideration of HK$27,500,000.

The principal terms of the Sale and Purchase Agreement are set out as follows:

The Sale and Purchase Agreement

Date

30 September 2025

Parties

(1) the WFOE as vendor

(2) the Purchaser as purchaser

Based on the confirmation of the Purchaser and/or to the best knowledge, information and belief of the Directors, having made all reasonable enquiries, the Purchaser and its ultimate beneficial owner(s) are Independent Third Parties, and do not have any relationship with Prime Global Trading Pty Ltd and Mr. Zhang Xuekun (the counterparties to the acquisition when the Group acquired the Target Company as announced on 27 June 2024). The Purchaser was introduced to the Group through a business acquaintance.

Subject matter

Subject to the terms and conditions of the Sale and Purchase Agreement, the WFOE shall sell and the Purchaser shall purchase the Economic Benefit and the rights of the Shareholder's Loan free from all Encumbrances and together with all rights attaching thereto at any time on or after the Completion Date.

Consideration

The Consideration for the Disposal is in the aggregate sum of HK$27,500,000 (of which HK$25,039,587.36 is for the Economic Benefit and HK$2,460,412.64 (equivalent to approximately RMB2,247,362.66) is for the rights of the Shareholder's Loan).

The Consideration shall be paid or procured to be paid by the Purchaser (or its nominee(s)) to the WFOE (or its nominee(s)) upon Completion in cash.

The Consideration was arrived after arm's length negotiations among the WFOE and the Purchaser and was determined with reference to the Consideration is HK$6.4 million higher than (i) the net assets value of the 70% equity interests in the Target Group (including goodwill and intangible assets recognised from the acquisition of the Economic Benefit from the Registered Shareholder by the WFOE in June 2024) in the sum of approximately HK$18,638,000 recognised on the books of the Group as at 31 March 2025; and (ii) the principal amount of the Shareholder's Loan in the sum of HK$2,460,412.64 (equivalent to approximately RMB2,247,362.66) as at the date of the Sale and Purchase Agreement. The Consideration has also taken into account that it is HK$1.3 million higher than the original cost of AUD5.1 million (equivalent to approximately HK$26.2 million at the date of the acquisition) for the Group to acquire the Economic Benefit and the rights of a shareholder's loan owed by the Target Company to the Registered Shareholder from the Registered Shareholder in June 2024. The Group aims to minimise the possibility of any loss being recognised in its financial statements and has therefore considered the Consideration with reference to the net asset value.

A different approach was adopted as the basis for determination of the Consideration for the Disposal from that of the acquisition of 70% Economic Benefit back in June 2024 (the details of which have been set out under the 2024 Announcement). As the members of the Target Group became subsidiaries of the Company and the financial positions and results of operations of the Target Group were consolidated into the consolidated financial statements of the Company under IFRS Accounting Standards after the acquisition, the net assets value of the 70% equity interests in the Target Group recognised on the books of the Group shall be a reasonable indicator as to the value of the Target Group; and, together with the original cost of the acquisition and the principal amount of the Shareholder's Loan, constitute a reasonable basis for determination of the Consideration for the Disposal.

Conditions Precedent

Completion is subject to the following Conditions being fulfilled and remaining satisfied (or, where applicable, waived) as at Completion:

(i) all necessary consents, licences and approvals required to be obtained on the part of the WFOE in respect of the Sale and Purchase Agreement and the transactions contemplated thereby having been obtained and remain in full force and effect;

(ii) all necessary consents, licences and approvals required to be obtained on the part of the Purchaser in respect of the Sale and Purchase Agreement and the transactions contemplated thereby having been obtained and remain in full force and effect;

(iii) all the representations, warranties and undertakings provided by the WFOE under the Sale and Purchase Agreement remaining true and accurate in all respects; and

(iv) all the representations, warranties and undertakings provided by the Purchaser under the Sale and Purchase Agreement remaining true and accurate in all respects.

The WFOE may at its absolute discretion waive condition (iv) and the Purchaser may at its absolute discretion waive condition (iii). Conditions (i) and (ii) cannot be waived.

In the event that the Conditions have not been fulfilled or waived on or before 4:00 p.m. on 18 December 2025 (or such later date as the WFOE and the Purchaser may agree in writing), the Sale and Purchase Agreement shall cease and determine and that neither party shall have any obligations and liabilities towards each other except for any antecedent breach of the terms of the Sale and Purchase Agreement.

Completion

Subject to satisfaction of all Conditions in full (save for any Condition the full compliance with or satisfaction of which has been waived in accordance with the Sale and Purchase Agreement), Completion shall take place on the Completion Date.

At Completion, the parties shall, among other things, procure that the following businesses be transacted:

(1) The WFOE, the Registered Shareholder and the Target Company shall terminate the Contractual Arrangements.

(2) The Purchaser shall enter into (or assign a nominee to enter into) a series of contractual arrangements, pursuant to which substantial and material business decisions of the Target Company shall be instructed and supervised by the Purchaser, and risks arising from the business of the Target Company shall also be effectively borne by the Purchaser as a result of the Target Company being treated as if it were a 70%-owned subsidiary of the Purchaser, with the Target Company, the Registered Shareholder and/or the spouse of the Registered Shareholder (as the case may be).

(3) The WFOE shall assign to the Purchaser all its rights, titles, benefits and interests in the Shareholder's Loan absolutely.

Following the fulfilment of all Conditions, Completion took place on 23 October 2025.

INFORMATION OF THE ECONOMIC BENEFIT AND THE TARGET COMPANY

The Economic Benefit

The Economic Benefit, being 70% of the economic benefit of the Target Company, was acquired by the WFOE from the Registered Shareholder through the establishment of the Contractual Arrangements in June 2024. Pursuant to the Contractual Arrangements, substantial and material business decisions of the Target Company shall be instructed and supervised by the Group, through the WFOE, and risks arising from the business of the Target Company shall also be effectively borne by the Group as a result of the Target Company being treated as if it were a 70%-owned subsidiary of the Company.

Further details relating to the Economic Benefit and the Contractual Arrangements are set out in the section headed "CONTRACTUAL ARRANGEMENTS" in the 2024 Announcement.

The Target Company

The Target Company is a company established in the PRC with limited liability and 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, also known as the "ICP License"(增值電信業務經營許可證(ICP 許可證)), and (2) Online Culture Operating License, also known as the "ICB License"(網絡文化經營許可證(ICB 許可證)).

As at the date of the entering into the Sale and Purchase Agreement, the Target Company was owned as to 99% by the Registered Shareholder and 1% by Mr. Li Yue (李越).

The financial information of the Target Group for the two years ended 31 December 2024 are as follows:

	For the year ended 31 December 2024	**For the year ended 31 December 2023**
	(Unaudited)	*(Audited)*
	RMB'000	*RMB'000*
Revenue	7,354	12,650
Net profit/(loss) before taxation	859	(1,496)
Net profit/(loss) after taxation	859	(1,496)

As at 31 March 2025, the consolidated net assets of the Target Group (including goodwill and intangible assets generated when acquiring the Economic Benefit from the Registered Shareholder by the WFOE in June 2024) were approximately HK$23.4 million.

FINANCIAL EFFECT OF THE DISPOSAL

Upon Completion, the Target Group shall cease to be subsidiaries of the Company, and the Company shall cease to have any interest in the Target Group. The financial results of the Target Group shall not be consolidated to the Company's consolidated financial statements.

The excess of the consideration for the disposal of Economic Benefit (i.e.: HK$25,039,587.36) over the net asset value of the Target Group as at 31 March 2025 attributable to the Company of approximately HK$18.6 million was approximately HK$6.4 million.

Based on the consolidated financial information of the Target Group as at 31 March 2025, the Group currently expects to record a gain arising from the Disposal of approximately HK$5.6 million (before tax) upon completion of the Disposal with reference to the Consideration of HK$27,500,000, less the carrying value of Target Group as at 31 March 2025 and the estimated legal and professional fees expected to be incurred in the Disposal.

It should be noted that the expected gain is only an estimate which assumes the completion of the Disposal had taken place on 31 March 2025. The actual gain on the Disposal will depend on the net assets value of the Target Group as at the Completion Date and subject to audit to be performed by the auditors of the Company.

Assuming that the Disposal had taken place on 31 March 2025, the consolidated total assets of the Group would decrease from approximately HK$149.6 million to approximately HK$143.1 million, and the consolidated total liabilities of the Group would decrease from approximately HK$214.7 million to approximately HK$206.8 million.

Save as the abovementioned, the Directors consider that the Disposal will not have any other material effect on the total assets, total liabilities and earnings of the Group.

As at the Latest Practicable Date, the Board intends to apply/ has applied the net proceeds from the Disposal (after deducting relevant costs and expenses) as general working capital and for funding future business development opportunities of the Group, with breakdown as follows:

Intended use	**Net proceeds** *(HK$' million)*
To support the Milk Products Business, including its ongoing development and expansion	14.0
To support the provision of cleaning services operated by the Group	0.7
General working capital and general corporate purposes	12.0
Total:	**26.7**

REASONS FOR AND BENEFITS OF THE DISPOSAL

The Economic Benefit and the rights of the Shareholder's Loan were acquired by the WFOE from the Registered Shareholder in June 2024. Subsequent to the acquisition, the Registered Shareholder continues to be the registered owner as to 99% interest in the Target Company and retains 29% of the economic benefit of the Target Company.

The acquisition was intended to achieve both recovery and diversification objectives: (i) to utilise the acquisition as a means to resolve the outstanding trade debts due from a debtor; and (ii) to establish a new revenue channel in the PRC's growing e-commerce through the Target Company's online retail and distribution platforms.

The Target Company operated self-developed online distribution platforms and held valid ICP License and ICB License. These licenses were regarded as commercially significant given the regulatory environment and growth potential of the PRC's digital commerce sector. At the time of acquisition, the Company anticipated the acquisition would create synergies, particularly by integrating its milk powder and baby food products into the Target Company's established e-commerce platforms. This integration was expected to increase retail customer reach and drive deeper market penetration in the PRC.

Following the acquisition, the performance of Target Company did not meet the Company's expectations. The business faced operational challenges and the revenue growth of the Target Company did not reach its expected result due to weaker than expected consumer demand as a result of the economic downturn in the PRC, but substantial costs were incurred at the initial startup stage, including operating expense (such as staff costs), resulting in an operating loss for the financial year ended 31 March 2025. These challenges have prompted concerns regarding the Target Group's overall underperformance since the acquisition.

After reviewing its overall business strategy and considering the minimal contribution to the Group's revenue (RMB1.2 million, representing approximately 3.0% of total revenue for the financial year ended 31 March 2025), the Board resolved that it would be in the Company's best interests to dispose of Target Company. The Disposal is mutually beneficial as it will result in an immediate incremental liquidity to the Group.

The Disposal is expected to salvage significant value for the Company. The Group expects to record a gain of approximately HK$5.6 million (before tax) upon completion of the Disposal. The goodwill impairment loss of approximately HK$3.0 million recognised during the year ended 31 March 2025 can also be recovered.

Having considered (i) the Consideration for the Disposal, which represents a premium of 28.8% to the net assets value of the 70% equity interests in the Target Group (including goodwill and intangible assets generated when acquiring the Economic Benefit from the Registered Shareholder by the WFOE in June 2024) plus the principal amount of the Shareholder's Loan as at 31 March 2025; (ii) the uncertain prospect of the business of the Target Group; (iii) the immediate incremental liquidity to the Group for expansion in the Group's other business operations; and (iv) the continuing costs and expenses to be incurred if the Company were to continue to hold the Economic Benefit, the Directors (including the independent non-executive Directors) are of the view that the terms of the Sale and Purchase Agreement are fair and reasonable, and the Disposal is on normal commercial terms or better, beneficial to and in the interests of the Company and the Shareholders as a whole.

INFORMATION ON THE COMPANY, THE WFOE AND THE PURCHASER

1. The Company

The Company is an investment holding company incorporated in Bermuda with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 948). The Group is principally engaged in (i) the trading of milk powder and foods; and (ii) the provision of warehouse logistics service and cleaning services.

2. The WFOE

The WFOE is a wholly foreign owned enterprise established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company, and is principally engaged in online sale of foods.

3. The Purchaser

The Purchaser is a company established in the British Virgin Islands with limited liability and owned as to 70% by Mr. Zhao Yun and 30% by Mr. Shang Chen. The principal business activity of the Purchaser is investment holding.

LISTING RULES IMPLICATIONS

As more than one of the percentage ratios (as defined in the Listing Rules) in respect of the Disposal exceeds 25% but is less than 75%, the Disposal constitutes a major transaction for the Company and is subject to reporting, announcement, circular and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

WRITTEN SHAREHOLDER'S APPROVAL

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no Shareholder is required to abstain from voting if the Company were to convene a general meeting for the approval of the Disposal. The Company has received an irrevocable and unconditional approval in writing for the Disposal from Well Dynasty Investments Limited, holding 193,026,615 Shares (representing approximately 51.16% of the issued share capital of the Company as at the Latest Practicable Date). Accordingly, in accordance with Rule 14.44 of the Listing Rules, the Shareholders' approval requirement in respect of the Disposal under Chapter 14 of the Listing Rules has been satisfied in lieu of a general meeting of the Company.

To the best knowledge, information and belief of the Directors, the Directors consider that the terms of the Disposal are fair and reasonable and are in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors would recommend to vote in favour of the resolution(s) if the Company was to convene a general meeting for the approval of the Disposal.

ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in the appendices to this circular.

Yours faithfully,
For and on behalf of the Board
Alpha Professional Holdings Limited
Zhao Lei
Executive Director and Chief Executive Officer

1. INDEBTEDNESS

As at the close of business on 30 November 2025, being the latest practicable date for the purpose of ascertaining the indebtedness of the Group prior to the printing of this circular, the Group had outstanding borrowings of approximately HK$71.0 million comprising (i) unsecured and unguaranteed other borrowings of approximately HK$20.9 million with unsecured and unguaranteed outstanding interest payable of approximately HK$0.3 million; and (ii) secured and guaranteed other borrowings of approximately HK$43.1 million with secured and guaranteed outstanding interest payable (including default interest payable) of approximately HK$6.7 million. The secured and guaranteed other borrowings of approximately HK$43.1 million with secured and guaranteed outstanding interest payable of approximately HK$6.7 million were guaranteed by the Company and an indirect wholly-owned subsidiary of the Company, respectively. It was also secured by: (i) debentures created by the Company and an indirect wholly-owned subsidiary of the Company, respectively, of a first fixed and floating charge over each of the Company's and an indirect wholly-owned subsidiary of the Company's undertaking, property and assets as security for the due payment of all monies payable under the facility; (ii) a mortgage entered into by an indirect wholly-owned subsidiary of the Company to create the pledge of a property to the lender; (iii) a security deed entered into by an indirect wholly-owned subsidiary of the Company to undertake as security for the due payment of the secured money payable under the facility; and (iv) a mortgage entered into by an indirect wholly-owned subsidiary of the Company to create the pledge of the shares of another indirect wholly-owned subsidiary of the Company to the lender. As at the close of business on 30 November 2025, the secured and guaranteed other borrowings were defaulted, and the floating charges created under debentures were converted into specific fixed charges as regards all the Group's undertaking, property and assets.

As at the close of business on 30 November 2025, the Group had lease liabilities with the amount of approximately HK$15.9 million, which were unsecured and unguaranteed.

Foreign currency amounts have been translated into Hong Kong dollars at the rates of exchange prevailing at the close of business on 30 November 2025.

Save as aforesaid or as otherwise disclosed herein, and apart from intra-group liabilities and normal trade payables, as at the close of business on 30 November 2025, the Group did not have any (i) debt securities issued and outstanding, and authorised or otherwise created but unissued, and (ii) term loans, other borrowings or indebtedness in the nature of borrowing including bank overdrafts and liabilities under acceptances (other than normal trade bills) or acceptance credits or hire purchase commitments; (iii) mortgages and charges; and (iv) other contingent liabilities or guarantees.

2. WORKING CAPITAL

Taking into account presently available financial resources including internally generated cash flows, cash and cash equivalents, the interest free line of credit of HK$80,000,000 provided by a substantial Shareholder, and the net proceeds from the Disposal and the expectation that the operations and assets of the Company and the subsidiaries other than Willis Trading and Alice Trading would not be affected by the Statutory Demand and the Arbitration Awards, the Directors, after due and careful enquiry, are of the opinion that the working capital of the Group is sufficient for its present requirements for at least the next 12 months from the date of this circular.

In arriving at the abovementioned opinion, the Directors took into account the following:

- the Directors reviewed an opinion from the legal advisor of the Group and considered that the results of the Arbitrations, which led to the Arbitration Awards, would not result in adverse cash flow impact to the Group. The Directors, based on the legal opinion obtained, expected 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 and the Arbitration Awards; and

- in relation to the secured and guaranteed other borrowings of approximately HK$43.1 million which were in default, as informed by the lender of such borrowings, a contract for the sale and purchase of a property (which was charged to the lender) was entered by the receiver of a subsidiary of the Group (as vendor) and a purchaser on 15 October 2025, pursuant to which the property was disposed of at AUD9.1 million (equivalent to approximately HK$46.3 million) and the disposal was completed in December 2025. It is expected that, after deducting the cost, the lender would receive AUD8.5 million (equivalent to approximately HK$43.3 million) from the sale proceeds to settle a significant part of or all of the outstanding indebtedness.

The Company has obtained the relevant confirmation from its auditor as required under Rule 14.66(12) of the Listing Rules.

3. FINANCIAL AND TRADING PROSPECT OF THE GROUP

Set out below are the financial and trading prospects of the Group for the remaining period for the financial year ending 31 March 2026:

The Group is principally engaged in trading of milk power and foods (the "**Milk Products Business**") and provision of warehouse logistics services and cleaning services (the "**Services Business**"). The business of property investment was discontinued in the six months ended 30 September 2025.

Milk Products Business

Business Model

The Company operates the Milk Products Business through two streams: (i) securing exclusive distribution agreement(s) with overseas supplier(s) ("**Overseas Supplier(s)**") for milk products and distributing in the PRC and Hong Kong ("**International Direct Import and Distribution**"); and (ii) procuring products from various domestic suppliers and selling them to downstream distributors or retail customers via established sales channels ("**Domestic Sourcing and Distribution**").

The process of International Direct Import and Distribution is set out as follows: the Company will first issue a purchase order to the Overseas Supplier and remits the required prepayment in accordance with contract terms. Upon receipt of funds, the Overseas Supplier commences production, which includes base-powder procurement, standardisation and mixing to the agreed product specification, thermal processing as required, concentration and spray-drying, third-party laboratory testing, and retail-pack packaging in accordance with agreed specifications and applicable standards. The finished goods are placed in controlled storage pending completion of export documentation (including industry/export health certificates and other required trade documents), ocean or air freight booking, and containerization. Upon the products arrive the PRC by ocean freight or air freight, the consigned importer completes customs declaration, inspection, and quarantine procedures in accordance with PRC requirements, and would be released after conformity assessment. The released goods are stored at a qualified third-party bonded warehouse with controlled environments. The Company conducts due diligence on facilities and implements periodic inspections to verify storage conditions, traceability, and inventory integrity. After the Company receives orders from distributors/retail customers and upon fulfilment of payment terms set out in the sales contract, title and risk transfer to the customer against warehouse stock movement documentation, customers typically arrange their own pickup from the designated warehouse.

The end-to-end import-to-collection cycle typically spans about three months, and cash flow is managed on a straight basis whereby sales proceeds are collected before placing new procurement orders under normal operating conditions.

In parallel, the Company will procure other WDOM products from authorised PRC distributors and sells such products to downstream distributors or retail customers through established sales channels. The same controls apply: supplier due diligence, intake quality checks, compliant labelling, qualified storage, and disciplined credit and inventory management. Under the Domestic Sourcing and Distribution stream, the Company will enter into non-binding sourcing and distribution agreement(s) with customers.

The Company provides defined value-added services that enhance product readiness, compliance, and reliability. These include quality inspection of the product, pre-shipment document coordination and specification confirmation with suppliers; inbound quality check and intake inspections (e.g., label checks, lot/batch traceability, and review of health/export certificates); controlled storage; customs coordination; and documentation for title transfer.

Financial and trading prospect

Regarding the Milk Products Business, the Group will continue to contribute to development, in parallel with the two models of business-to-business (B2B) and business-to-consumer (B2C). Although the Group has disposed of its self-owned e-platform along with Target Company, it will continue to utilise third-party e-platforms (including but not limited to Tmall, JD.com and Pinduoduo) and social media and content-driven platforms (such as Douyin, Kuaishou and WeChat Video Channels) for the purpose of reducing operational costs while maintaining market reach. To the best of knowledge of the Directors having made all reasonable enquiries and subject to any unforeseen circumstances beyond the control of the Group, it is expected that the Disposal will not have any material adverse effect on the cost and revenue structure of the Milk Products Business.

The Group commenced the B2C business by setting up its online shop through Douyin and Kuaishou between November 2025 and December 2025, where customers can purchase the Group's products from these online shops.

Given the increasing competition across infant-formula milk products in the PRC, and a short-term adverse impact on commercial goodwill arising from Arbitration matters in the same market segment, to mitigate it, the Group pursued a new market segment of adult-formula milk products. During the six months ended 30 September 2025, the management entered into an exclusive distribution agreement with a New Zealand supplier in July 2025 for the distribution of three WDOM products ("**International Stream Products**") in the PRC and Hong Kong for a term of two years. WDOM is an adult-formula milk brand that has rapidly gained market share in China. The management expects this collaboration to contribute positively to future sales of the Group's milk products.

In parallel, the Company will also procure other products, including but not limited to other WDOM products, from authorised PRC distributors and sell such products to downstream distributors or retail customers through established sales channels.

Business plan

(i) International Direct Import and Distribution

As mentioned above, the Group has been appointed by a New Zealand supplier as the exclusive distributor of the International Stream Products. The quantity, price and delivery terms of the International Stream Products to be ordered from the New Zealand supplier are to be agreed between the parties on an order-by-order basis, but the Group has agreed to a minimum purchase quantity of approximately 450,000 cans of International Stream Products per year.

In August 2025, the Group entered into of a framework sale and cooperation agreement with a WDOM retailer in the PRC ("**Customer A**"), pursuant to which Customer A agreed to purchase the International Stream Products from the Group. Customer A is an authorised WDOM retailer in the PRC and has in recent years actively expanded its product sales channels, including both offline physical stores and major online platforms. Its principal online sales channels include emerging social media and content-driven platforms such as Douyin, Kuaishou and WeChat Video Channels (through brand stores and influencer live-streams), as well as traditional e-commerce platforms such as Tmall, JD.com and Pinduoduo via self-operated exclusive online stores. Offline sales channels primarily cover the imported-goods sections of well-known retail chains.

Based on further discussion with the management of Customer A, the Group currently expects that the annual sales volume of the International Stream Products could reach approximately 865,000 cans.

Under normal operating conditions, the Group will not grant Customer A any credit period. Customer A is required to pay upon shipment, and will generally place new procurement orders only after substantially all proceeds from the previous batch have been collected, having regard to shipping lead time and inventory buffer requirements. This approach is intended to manage working capital prudently and mitigate credit risk associated with the Milk Products Business.

Each import-to-collection cycle for the International Stream Products typically spans around three months. An initial purchase order for 250,000 cans of the International Stream Products in aggregate was placed with the New Zealand supplier between August 2025 and October 2025, and the products have been shipped in December 2025. On the other hand, the Group has entered into a corresponding sale and purchase order with Customer A for the same quantity of such International Stream Products.

Following receipt of the related sales proceeds, the Group intends to place further procurement orders of a similar scale, with subsequent import and sale cycles of comparable amounts expected to be completed in or around March, June and September 2026, respectively.

The Group intends to leverage the same distribution channels and customer relationships for other adult-formula milk products. The Group is exploring expansion of its milk product distribution to Hong Kong and is considering the sale of WDOM products via distributors or leading supermarket chains, including PARKnSHOP, Wellcome, Mannings and Watsons. In support of this strategy, the Company's logistics and compliance teams have begun reviewing Hong Kong's food safety, import source-approval, labelling and retail requirements applicable to milk and milk beverages, and the pre-import approval procedures for milk products, to confirm any registrations, permissions, or licenses required prior to market entry.

(ii) Domestic Sourcing and Distribution

Under the Domestic Sourcing and Distribution model, the Group will cooperate with reputable third-party importers and traders to source branded adult-formula milk products in the PRC, with a primary focus on WDOM milk powder products in 1 kg bags and whey protein powder under the AMINOAB brand (collectively, the "**Domestic Stream Products**"), for onward distribution to PRC e-commerce platforms, live-streaming operators and offline retail channels.

Whey is the liquid fraction remaining after milk is curdled and strained in the production of cheese or casein, and whey protein powder is obtained by concentrating and drying the milk-derived proteins in this by-product. The whey protein market in the PRC is experiencing robust growth, supported by rising health consciousness, expansion of the fitness industry and increasing use of whey protein in sports nutrition, healthy ageing, paediatric nutrition and medical dietary products. Against this backdrop, the Group has positioned AMINOAB whey protein powder, a newly launched brand in the PRC sourced from New Zealand, to capture demand from fitness enthusiasts, the ageing population and younger consumers seeking convenient, high-quality protein supplementation, with the objective of building a scalable and sustainable revenue stream in an up and coming market.

This segment is intended to complement the International Direct Import and Distribution business by providing a broader product portfolio, more competitive pricing and lower logistics costs, while maintaining relatively low inventory risk through order-driven procurement arrangements.

Suppliers

The Group sources Domestic Stream Products from qualified domestic import companies and/or trading companies on a wholesale basis, generally on an order-driven model with limited stockpiling. Purchase price, quantities and delivery terms will be agreed on an order-by-order basis, taking into account prevailing market price, demand visibility and agreed gross profit margins, as such there is no strategic agreement entered into by the Group with its suppliers. Currently, the Group sources its Domestic Stream Products through two principal suppliers: (i) WDOM milk powder is sourced from a Shandong provincial state-owned enterprise with extensive operations in retail, e-commerce, logistics and supply-chain services through over 300 subsidiaries and more than 200 retail outlets across several provinces in the PRC; and (ii) AMINOAB whey protein powder is sourced from another supplier which is principally engaged in the import, contract manufacturing and distribution of nutrition and health food products, including whey protein powder sourced from New Zealand and other overseas suppliers, with established production and quality-control capabilities.

Going forward, the Group will continue to identify and assess additional qualified domestic importers, traders and manufacturers for both WDOM and AMINOAB-type products as well as other compatible adult-formula milk and protein products, with a view to broadening its supplier base, enhancing supply chain resilience and reducing concentration risk in the Domestic Sourcing and Distribution segment.

Customers

The Group will sell Domestic Stream Products through two principal channels: (i) PRC e-commerce, live-streaming and social-commerce operators; and (ii) retail stores, corporate clients and downstream distributors or wholesale customers.

The Group has established online shops on traditional e-commerce platforms such as Taobao and JD.com, which provide the foundation for large-scale online retail through marketplace, group-buying and warehouse-based logistics models, respectively, and has also opened online stores on live-streaming and social-commerce platforms such as Douyin and WeChat Video Channels to capture traffic migrating from traditional e-commerce to content-driven channels.

The Group has entered into strategic agreements with a department store operator ("**DS Operator**") listed on the Taiwan Stock Exchange which currently operates about 14 department stores in multiple PRC cities, and under the strategic agreements, it is expected that the DS Operator will purchase the Domestic Stream Products over a period of twelve months.

In addition, the Group will continue to leverage existing relationships to establish sales channels with corporate clients which make annual bulk purchases for its staff and as client gifts (for example, Chinese New Year and Mid-Autumn Festival gifts).

In parallel, the Group will procure Domestic Stream Products from authorised suppliers and resell them to downstream distributors or wholesale customers, focusing on low-risk, low-margin transactions. As at the Latest Practicable Date, the Group has entered into memoranda of understanding with two such customers for the sale of Domestic Stream Products and the Group intends over time to broaden the number of such partners in order to diversify its customer base.

Credit terms

For PRC e-commerce, live-streaming and social-commerce operators, the usual settlement cycle is approximately 4 to 30 days, which varies by platform but is considered to have low recoverability risk given platform-level collection mechanisms; for retail stores and corporate clients, the Group generally grants credit terms of approximately 30 days in line with industry practice; and for downstream distributors, dealers or wholesale customers, the Group typically receives full or substantial payment in cash before delivery of goods or grants only very short credit terms, consistent with the low-margin nature of such transactions.

Timeline

In terms of phasing, the Group expects that (a) in the first six months of 2026, efforts will focus on building traffic and sales conversion for its online shops and live-streaming channels; (b) sales to the DS Operator and corporate clients will begin to contribute more meaningfully from January 2026 as in-store displays and corporate gift programmes are rolled out; and sales to downstream distributors, dealers or wholesale customers will take immediate effect.

(iii) Strategic Investment

In September 2024, the Company made a strategic investment in Australian Dairy Nutritionals Limited ("**Australian Dairy**") (ASX: AHF) and currently holds approximately 6.52% of its issued shares ("**AHF Shares**"). The investment is recognised as financial assets at fair value through profit or loss and measures at fair value on each reporting date. As at 30 September 2025, the fair value of the Group's 48,477,509 AHF Shares was approximately AUD2.0 million (equivalent to approximately HK$10.2 million). Australian Dairy and its controlled entities own and operate dairy farms, manufacture infant-formula base powders, and distribute infant formulas. Since late 2024, Australian Dairy has commenced expansion into the China market; management is working closely with Australian Dairy, leveraging the Group's industry connections and operating know-how, to support market penetration, explore future cooperation opportunities, and enhance profitability potential for the Milk Products Business.

Services Business

Ongoing uncertainties surrounding global trading and U.S. tariff policies continued to cast a shadow over Hong Kong's logistics sector. During the six months ended 30 September 2025, the logistics service of the Group faced several operational challenges. These included delays or reductions in customers' inventory turnover, which adversely impacted warehouse throughput and led to a decline in warehouse space occupancy rates. The inflexibility of operating costs further exacerbated the pressure on profit margins.

The Group launched its own cleaning services business with its partner in September 2025. Looking ahead, the Group expects its cleaning services line to serve as a strategic entry point into the comprehensive facilities management services sector. Demand for professional cleaning services in the PRC is anticipated to remain resilient, supported by ongoing urban development, heightened public health awareness, and the increasing outsourcing of non-core functions by property owners and managers. These initiatives are expected to enhance recurring revenue streams and provide a solid foundation for the Group's long-term growth in comprehensive facilities management.

The Group aims to enhance profitability by maximising the average occupancy rate of its warehouses and expanding the customer base across both its logistics and cleaning service lines. The Group will continue to optimise service quality and upgrade its information technology systems to support operational efficiency and customer satisfaction.

Hong Kong's total imports and exports surged by 14% year-on-year in the two months of July and August 2025 combined, on the back of enhanced trade relations with different markets. A Hong Kong government spokesman said steady economic growth in Asia, in particular the mainland, as well as the Hong Kong's enhanced trade ties with different markets, should continue to provide support to trade performance, but U.S. trade policies will weigh on short-term global trade prospects. However, industry leaders and economists warned the strong performance was heavily inflated by businesses front-loading shipments to evade tariff costs and masked a grim long-term outlook of Sino-US economic decoupling.

The Group believes that the strategic deployment of third-party logistics players (3PLs) and fourth-party logistics players (4PLs) can help mitigate margin pressure and improve service flexibility and will be instrumental to the logistics service's long-term success. The Group also expects that the demand for professional cleaning services in the PRC will remain resilient, supported by ongoing urban development, heightened public health awareness, and the increasing outsourcing of non-core functions by property owners and managers. The Group plans to further expand its Services Business to strengthen recurring revenue streams and provide a solid foundation for sustainable long-term growth.

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.

1. RESPONSIBILITY STATEMENT

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

2. DIRECTORS' INTERESTS

As at the Latest Practicable Date, none of the Directors and chief executive of the Company had any interests or short position in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO); or were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers of the Listing Rules, to be notified to the Company and the Stock Exchange.

As at the Latest Practicable Date, the Directors were not aware of any Director who was a director or employee of a company which had an interest in the shares and underlying shares of the Company which would fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO.

3. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contract with any member of the Group which does not expire or is not terminable by such member of the Group within one year without payment of compensation (other than statutory compensation).

4. DIRECTORS' INTERESTS IN COMPETING BUSINESS

As at the Latest Practicable Date, none of the Directors (not being the Independent Non-Executive Directors) and their respective close associates was considered to have interests in any competing businesses of the Group pursuant to the Listing Rules.

5. DIRECTORS' INTERESTS IN CONTRACTS AND ASSETS

As at the Latest Practicable Date, none of the Directors had any direct or indirect interest in any assets which have been, since 31 March 2025 (being the date to which the latest published audited financial statements of the Group were made up), (i) acquired or disposed of by; or (ii) leased to; or (iii) proposed to be acquired or disposed of by; or (iv) proposed to be leased to, any member of the Group.

As at the Latest Practicable Date, there was no contract or arrangement subsisting in which any Director was materially interested and which was significant in relation to the business of the Group.

6. LITIGATION

As at the Latest Practicable Date, the Group was engaged in the following litigation, arbitration or claim(s) of material importance:

Arbitration proceedings in Australia and Hong Kong

(a) on 19 July 2023, Willis Trading and Alice Trading noticed that two notices of arbitration from the IFC, a wholly-owned subsidiary of Bubs Australia Limited and the then supplier of the Group, were filed to ACICA for requesting the 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, ACICA handed down the Arbitration Awards, whereby it was 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 payable by IFC to Alice Trading) and the post-award interests on the awarded amount up to the date of payment;

(b) on 2 May 2025, 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)**"), 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;

(c) 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;

(d) 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; and

(e) on 16 July 2025, the solicitors acting on behalf of IFC served a notice to Alice Trading enclosing an order by the HK Court dated 14 July 2025, and another notice to Willis Trading enclosing another order by the HK Court dated 14 July 2025 (collectively, "**July Court Orders**"). Pursuant to the July Court Orders, the arbitral awards issued by ACICA in the Arbitrations are now enforceable in the same manner as judgments of the HK Court.

Other proceedings

(a) on 7 May 2025, Willis Trading received a demand letter from AP Diamond Limited (the "**Lender**") (via its legal advisers) informing Willis Trading that it failed to pay interest in the amount of approximately HK$0.3 million accrued on the outstanding principal of a loan facility (the "**Loan Facility**"), 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 and approximately HK$10.7 million (collectively, the "**Indebtedness**") by 9 May 2025, failing which the Lender shall proceed with enforcing the securities under the Loan Facility 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;

(b) on 2 June 2025, Alice Trading received the Statutory Demand 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;

(c) on 18 July 2025, pursuant to a deed of appointment of receiver entered into between the Lender and Mr. Mohammad Najjar ("**Mr. Najjar**") of Vanguard Insolvency Australia, Mr. Najjar has been appointed by the Lender as receiver and manager to (i) all of the property of Willis Trading and GA Investment charged in favour of the Lender; and (ii) the land parcel at 152 Milperra Road, Revesby, NSW 2212, New South Wales, Australia; and

(d) on 25 July 2025, Willis Trading received a notice from the Lender (via its legal advisers from Australia) dated 23 July 2025 informing Willis Trading that Mr. Najjar has been appointed as a receiver over the following collaterals, namely, (i) the shares of GA Investment ("**GA Shares**") in which the Willis Trading has a right to grant a security interest; (ii) any rights of Willis Trading in connection with the GA Shares; (iii) any financial accommodation made available by Willis Trading to GA Investment; and (iv) any proceeds of the collaterals set forth above.

Save as disclosed above, no member of the Group was engaged in any litigation, arbitration or claim(s) of material importance and no litigation, arbitration or claim(s) of material importance is known to the Directors to be pending or threatened against any member of the Group as at the Latest Practicable Date.

7. MATERIAL CONTRACTS

The following contracts (not being contracts entered into in the ordinary course of business) were entered into by members of the Group within two years immediately preceding the issue of this circular and are or may be material:

(a) a sale and purchase agreement entered into between Vantage Edge Investments Limited ("**Vantage Edge**", as purchaser) and Allied Services Holding Limited ("**Allied Services**", as vendor) on 11 June 2024, pursuant to which (i) Vantage Edge shall acquire, and Allied Services shall sell, the entire issued share capital of Smart Front Developments Limited ("**Smart Front**"), a company which holds 80% of the issued shares of Welfit (HK) Limited ("**Welfit**"); and (ii) the shareholder's loan in the principal amount of approximately HK$17,278,000.00 due to Allied Services by Smart Front shall be assigned by Allied Services to Vantage Edge, at the total consideration of HK$17,500,000.00;

(b) a sale and purchase agreement entered into between Vantage Edge and Mr. Chow Pok Yu Augustine ("**Mr. Chow**") on 11 June 2024, pursuant to which Vantage Edge 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 HK$4,375,000.00;

(c) a debt settlement agreement entered into among Willis Trading, the WFOE, Prime Global Trading Pty Ltd ("**Prime Global**") and the Registered Shareholder on 27 June 2024, pursuant to which the Registered Shareholder agreed to transfer (i) the Economic Benefit of the Target Company to be acquired by the WFOE; and (ii) the rights of the shareholder's loan, owed by the Target Company to the Registered Shareholder, to the WFOE, in consideration of Willis Trading agreeing to discharge the trade debts in the sum of AUD5,057,000.00 owed by Prime Global to Willis Trading;

(d) an acceptance letter entered into by the Company on 5 September 2024, pursuant to which it accepted to undertake to subscribe for 48,477,509 shares of Australian Dairy at the consideration of AUD969,551.00;

(e) a tenancy agreement dated 17 October 2024 entered into between San Pack Properties Limited ("**San Pack**") as landlord and San Tai Distribution Company Limited ("**San Tai**", an indirect wholly-owned subsidiary of the Company) as tenant for a term of two years from 1 October 2024 to 30 September 2026 (both days inclusive), pursuant to which the whole of 7th to 12th and 20th Floors together with three lorry parking spaces and three private car parking spaces of Allied Cargo Centre was leased by San Pack to San Tai. The rental is (i) HK$1,373,890.00 per month for the period from 1 October 2024 to 30 September 2025 and HK$1,446,200.00 per month for the period from 1 October 2025 to 30 September 2026 in respect of the 7th to 12th and 20th Floors of Allied Cargo Centre; and (ii) HK$10,800.00 per month in respect of the three lorry parking spaces and three private car parking spaces;

(f) a tenancy agreement dated 17 October 2024 entered into between San Pack as landlord and San Tai as tenant for a term of two years from 1 October 2024 to 30 September 2026 (both days inclusive), pursuant to which the cubicle nos. 11 to 17 on 13th Floor of Allied Cargo Centre was leased by San Pack to San Tai. The rental is HK$100,994.50 per month for the period from 1 October 2024 to 30 September 2025 and HK$106,310.00 per month for the period from 1 October 2025 to 30 September 2026;

(g) a placing and top-up subscription agreement dated 12 November 2025 entered into between the Company, Well Dynasty Investments Limited ("**Well Dynasty**") as vendor and Get Nice Securities Limited ("**Get Nice**") as placing agent, pursuant to which Well Dynasty agreed to appoint Get Nice, and Get Nice agreed to procure, on a best effort basis, not less than six placees to purchase up to 28,000,000 existing Shares held by Well Dynasty ("**Placing Shares**") at the placing price of HK$0.24 per Placing Share; and Well Dynasty conditionally agreed to subscribe for, and the Company conditionally agreed to allot and issue to Well Dynasty, such number of new Shares as equivalent to the aggregate number of Placing Shares ("**Subscription Shares**") of up to 28,000,000 Subscription Shares at the subscription price of HK$0.24 per Subscription Share; and

(h) the Sale and Purchase Agreement.

8. GENERAL

(a) The registered office of the Company is situated at The Penthouse, 5 Reid Street, Hamilton, HM 11, Bermuda.

(b) The head office and principal place of business in Hong Kong of the Company is Room 1902, 19th Floor, Allied Kajima Building, 138 Gloucester Road, Wanchai, Hong Kong.

(c) The branch share registrar and transfer office of the Company in Hong Kong is Tricor Investor Services Limited of 17th Floor, Far East Finance Centre, 16 Harcourt Road, Hong Kong.

(d) The company secretary of the Company is Mr. Chan Chun Hong, who is a member of the Hong Kong Institute of Certified Public Accountants and the Institute of Chartered Accountants in England and Wales.

9. DOCUMENTS ON DISPLAY

A copy of the Sale and Purchase Agreement will be published on the websites of the Stock Exchange (http://www.hkexnews.hk) and the Company (https://www.hk-alpha.com) for a period of 14 days from the date of this circular.