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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)**

## **SUPPLEMENTAL ANNOUNCEMENT**

### **DISCLOSEABLE TRANSACTION SUBSCRIPTION OF SHARES IN AN AUSTRALIAN COMPANY**

Reference is made to the announcement of Alpha Professional Holdings Limited (the “**Company**”) dated 3 March 2022 (the “**Announcement**”) in relation to the Subscription. Unless otherwise defined herein, capitalised terms used in this announcement shall have the same meanings as those defined in the Announcement. The Company would like to supplement the following information in relation to the Subscription.

Pursuant to the Subscription Agreement, in the event that the Group is unable to meet the expected purchase orders, there is no consequence on the part of Willis Trading nor compensation required to be paid by Willis Trading to BUBS Australia.

The Board is of the view that the expected purchase orders with BUBS Australia for the periods 1 July 2021 to 30 June 2022 and 1 July 2022 to 30 June 2023 would be proportionate to the Company’s current and/or future business scale based on the following factors:

(i) **The Group has been able to support the exponential growth of the Milk Products Business during the track record period since 2020 with its available resources**

The Group commenced the trading of milk powder and baby foods (“**Milk Products Business**”) in February 2020 and the revenue of the Group derived from this business segment continued to grow exponentially since then as illustrated in the table below:

	<b>Total Revenue</b>	<b>Revenue from Milk Products Business</b>	<i>% of total revenue</i>
	<i>HK\$'000</i>	<i>HK\$'000</i>	
Year ended 31 March 2020	147,930	30,587	20.7%
Year ended 31 March 2021	268,099	229,039	85.4%
Six months ended 30 September 2020	103,200	75,626	73.3%
Six months ended 30 September 2021	253,999	240,324	94.6%

For the year ended 31 March 2021, the revenue from the Milk Products Business was approximately HK\$229.0 million compared to approximately HK\$30.6 million for the year ended 31 March 2020. The revenue from the Milk Products Business for the six months ended 30 September 2021 of approximately HK\$240.3 million was over three times than the corresponding figure of approximately HK\$75.6 million for the six months ended 30 September 2020.

The exponential growth of the Milk Products Business is also evidenced by the fact that the revenue from the Milk Products Business for the six months ended 30 September 2021 of approximately HK\$240.3 million has already exceeded the full year revenue contribution of the Milk Products Business for the year ended 31 March 2021.

The Group has been able to support the significant growth of its Milk Products Business with its resources and its financial position remains healthy. As at 31 March 2021, 30 September 2021 and the date of this announcement, even with the significant growth in the Milk Products Business, the Group had no outstanding borrowings, and has used its available cash, operating profit generated from time to time and proceeds from the placing completed in April 2020, respectively, to settle the payment to its suppliers. In view of the rapid expansion of the Milk Products Business, the Group has recruited an additional team of personnel responsible for the operations of this business segment in February 2022.

**(ii) With the launch of a new product by BUBS Australia, it is expected that the Group will purchase more products from BUBS Australia**

BUBS Australia has recently announced that the launch of a new product. To capture the sales opportunity of this new product, the Group has negotiated for and in advance signed an exclusive distributorship agreement with a subsidiary of BUBS Australia in late 2021, pursuant to which the Group will be the exclusive distributor of the new product for BUBS Australia in Hong Kong and the PRC for a term of three years. In addition to exclusive distributorship agreements for the new product of BUBS Australia, the Group has also signed exclusive distributorship agreements with BUBS Australia for the existing products to increase its market share in the supply chain of the products of BUBS Australia. With the above cooperation between the Group and BUBS Australia in place, it is expected that the Group is highly likely to purchase a significantly larger number of BUBS Australia products in 2022 and 2023.

The Group will also evaluate its previous sales cycles and purchase more new and existing products from BUBS Australia before the launch of public-wide marketing campaigns in the PRC and Hong Kong (such as “618” shopping festival in the PRC) so that the demands from its customers can be met.

**(iii) The Group has devised a business plan to (a) promote the products of BUBS Australia; (b) expand its scale of operations; and (c) obtain additional financial resources to support the increased purchase orders of products of BUBS Australia**

The Group has from time to time engaged third party service providers to organise various marketing activities on the products of BUBS Australia such as social media publicity campaigns and promotion by key opinion leaders on social media. After the launch of the new product of BUBS Australia, the Group will actively increase its marketing efforts based on its existing initiatives with a view to increase the demand of the products of BUBS Australia. The Group will also review its customer profile and expand its customer base such as identifying customer groups with a high profit margin, promoting the Group and the products of BUBS Australia in different provinces in the PRC and approaching new distributors who have a large sales network in local districts.

In anticipation of the increased purchase orders with BUBS Australia, besides the existing team of personnel newly recruited in February 2022, the Group plans to recruit a team of experienced personnel in March or April 2022 based in Australia, who shall be responsible for logistics, warehousing, operations and coordination of the ordering of BUBS Australia products and preferred to have around three to seven years of experience in the Milk Products Business.

With reference to its gearing ratio and available cash on hand, the Board is of the view that it is in a healthy financial position and is able to obtain sufficient financial resources to settle the payment of BUBS Australia products ordered by the Group in future. In addition to the utilisation of profits continuously generated from the Milk Products Business, the Group may also find new funding sources, including but not limited to equity means. As the Group has no outstanding borrowings as at the date of this announcement, obtaining external borrowings from financial institutions from time to time is a viable option to pay BUBS Australia the products that the Group has ordered.

The Board would like to emphasise that the product purchase milestones has been considered by the Directors with due and careful consideration, and in order to safeguard the interests of the Company and its shareholders, it is agreed that Willis Trading will not be subject to any consequences nor required to pay compensation in the event that the Group is unable to meet such product purchase milestones. In this regard, the entering into of the Subscription Agreement is an incentive to the Group to purchase more products from BUBS Australia without bringing any detriment to the Group should it fail to meet such product purchase milestones.

Save as disclosed above, all other information and contents set out in the Announcement remain unchanged.

On behalf of the Board of  
**Alpha Professional Holdings Limited**  
**XIONG Jianrui**  
*Chairman*

Hong Kong, 24 March 2022

*As at the date of this announcement, the executive Directors are Mr. Xiong Jianrui, Mr. Yi Peijian, Mr. Chen Zeyu and Mr. Chen Xu and the independent non-executive Directors are Mr. Li Chak Hung, Mr. Choi Kin Man and Mr. Ngai Wah Sang.*

\* *For identification purpose only*