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## **Alpha Professional Holdings Limited**

**阿爾法企業控股有限公司 \***

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 948)**

### **UNAUDITED INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2022**

The board (the “**Board**”) of directors (the “**Directors**”) of Alpha Professional Holdings Limited (the “**Company**”) announces that the unaudited consolidated results of the Company and its subsidiaries (collectively, the “**Group**”) for the six months ended 30 September 2022 with comparative figures for the six months ended 30 September 2021 are as follows.

The Group’s unaudited consolidated results for the six months ended 30 September 2022 in this announcement was prepared on the basis of the unaudited condensed consolidated interim financial information which have not been audited, but has been reviewed by the audit committee of the Company (the “**Audit Committee**”) and the auditor of the Company (the “**Auditor**”).

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

*For the six months ended 30 September 2022*

		<b>Six months ended</b>	
		<b>30 September</b>	
		<b>2022</b>	2021
	<i>Notes</i>	<b>HK\$'000</b>	<b>HK\$'000</b>
		<b>(Unaudited)</b>	<b>(Unaudited)</b>
			<b>(restated)</b>
<b>Continuing operations</b>			
Revenue	5	236,935	241,202
Cost of sales		<u>(197,391)</u>	<u>(220,564)</u>
<b>Gross profit</b>		<b>39,544</b>	20,638
Impairment losses of trade receivables		(5,253)	–
Other income	6	15,932	986
Other gains and losses	7	(7,702)	(2,522)
Selling and distribution costs		(13,409)	(1,213)
Administrative expenses		<u>(7,782)</u>	<u>(5,778)</u>
<b>PROFIT FROM OPERATIONS</b>		<b>21,330</b>	12,111
Finance costs	8(a)	<u>(1,525)</u>	<u>(4)</u>
<b>PROFIT BEFORE TAXATION</b>	8	<b>19,805</b>	12,107
Income tax expenses	9	<u>(3,078)</u>	<u>(2,015)</u>
<b>PROFIT FOR THE PERIOD FROM CONTINUING OPERATIONS</b>		<b>16,727</b>	10,092
<b>Discontinued operation</b>			
Profit/(loss) for the period from discontinued operation	10	<u>3,770</u>	<u>(14,328)</u>
<b>PROFIT/(LOSS) FOR THE PERIOD</b>		<b>20,497</b>	(4,236)
<b>OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD, NET OF INCOME TAX</b>			
Items that are or may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operations		(3,482)	(2,565)
Reclassification adjustments relating to foreign operations deconsolidated during the period		<u>139</u>	<u>–</u>
<b>Other comprehensive loss for the period, net of income tax</b>		<u>(3,343)</u>	<u>(2,565)</u>
<b>TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD, NET OF INCOME TAX</b>		<u><b>17,154</b></u>	<u><b>(6,801)</b></u>

		<b>Six months ended</b>	
		<b>30 September</b>	
	<i>Notes</i>	<b>2022</b>	2021
		<b><i>HK\$'000</i></b>	<b><i>HK\$'000</i></b>
		<b>(Unaudited)</b>	(Unaudited)
			(restated)
<b>PROFIT/(LOSS) FOR THE PERIOD ATTRIBUTABLE TO OWNERS OF THE COMPANY:</b>			
from continuing operations		16,727	10,092
from discontinued operation		<u>3,770</u>	<u>(14,328)</u>
		<b><u>20,497</u></b>	<b><u>(4,236)</u></b>
<b>TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD, NET OF INCOME TAX ATTRIBUTABLE TO OWNERS OF THE COMPANY:</b>			
from continuing operations		13,511	7,490
from discontinued operation		<u>3,643</u>	<u>(14,291)</u>
		<b><u>17,154</u></b>	<b><u>(6,801)</u></b>
		<b><i>HK cents</i></b>	<b><i>HK cents</i></b>
		<b>(Unaudited)</b>	(Unaudited)
			(restated)
<b>EARNINGS/(LOSS) PER SHARE</b>			
	<i>11</i>		
<b>From continuing operations</b>			
Basic and diluted		<u>4.9</u>	<u>3.2</u>
<b>From discontinued operation</b>			
Basic and diluted		<u>1.1</u>	<u>(4.5)</u>
<b>From continuing and discontinued operations</b>			
Basic and diluted		<u>6.0</u>	<u>(1.3)</u>

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION***At 30 September 2022*

		<b>30 September 2022</b>	31 March 2022
	<i>Notes</i>	<b><i>HK\$'000</i></b>	<b><i>HK\$'000</i></b>
		<b>(Unaudited)</b>	<b>(Audited)</b>
<b>Non-current assets</b>			
Investment property		<b>41,472</b>	43,473
Property, plant and equipment		<b>736</b>	2,449
Goodwill		<b>2,161</b>	2,161
Financial assets at fair value through profit or loss ("FVTPL")		<b>24,979</b>	–
Rental deposit	<i>13</i>	<b>220</b>	320
Deferred tax assets		<b>1,182</b>	315
		<b>70,750</b>	48,718
<b>Current assets</b>			
Inventories		<b>30,580</b>	4,811
Trade and other receivables	<i>13</i>	<b>184,524</b>	104,077
Tax recoverable		<b>–</b>	313
Cash and bank balances		<b>4,114</b>	20,901
		<b>219,218</b>	130,102
<b>Current liabilities</b>			
Trade and other payables	<i>14</i>	<b>54,176</b>	52,878
Contract liabilities		<b>192</b>	3,428
Lease liabilities		<b>720</b>	1,350
Other borrowing		<b>46,842</b>	–
Tax payable		<b>6,757</b>	3,630
		<b>108,687</b>	61,286
<b>Net current assets</b>		<b>110,531</b>	68,816
<b>Total assets less current liabilities</b>		<b>181,281</b>	117,534
<b>Non-current liabilities</b>			
Lease liabilities		<b>–</b>	1,183
<b>Net assets</b>		<b>181,281</b>	116,351
<b>Capital and reserves</b>			
Share capital		<b>435,252</b>	391,672
Reserves		<b>(253,971)</b>	(275,321)
<b>Equity attributable to owners of the Company and total equity</b>		<b>181,281</b>	116,351

*Notes:*

**1. REVIEW BY AUDITOR**

The interim financial information of the Group for the six months ended 30 September 2022 has been reviewed by our Auditor, Crowe (HK) CPA Limited, in accordance with Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) and an unmodified review conclusion has been issued.

**2. BASIS OF PREPARATION**

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

The condensed consolidated interim financial information has been prepared in accordance with the same accounting policies adopted in the 2022 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2023 annual financial statements which are set out in note 3.

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

The condensed consolidated interim financial information contains selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2022 annual financial statements. The condensed consolidated interim financial information and notes thereon do not include all of the information required for a full set of financial statements prepared in accordance with International Financial Reporting Standards (“**IFRSs**”).

**3. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS**

In the current reporting period, the Group has applied, for the first time, the following new and amendments to IFRSs issued by the IASB which are mandatory effective for the annual period beginning on or after 1 April 2022 for the preparation of the Group’s condensed consolidated interim financial information:

Amendments to IFRS 3	Reference to the Conceptual Framework
Amendments to IAS 16	Property, Plant and Equipment – Proceeds before Intended Use
Amendments to IAS 37	Onerous Contracts – Cost of Fulfilling a Contract
Amendments to IFRSs	Annual Improvements to IFRSs 2018-2020

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

#### 4. SEGMENT INFORMATION

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

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

The provision of mobile handset solution (the “**Mobile Business**”) was discontinued during the current period. The following segment information does not include any amounts for the discontinued operation which is described in more details in note 10.

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

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

##### (a) Segment results, assets and liabilities

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

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

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

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

Disaggregation of revenue from contracts with customers by the timing of revenue recognition, as well as information regarding the Group’s reportable segments as provided to the executive Directors for the purposes of resource allocation and assessment of segment performance for the six months ended 30 September 2022 and 2021 is set out below.





**(b) Geographical information**

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

	<i>Continuing operations</i>		<i>Continuing operations</i>	<i>Continuing and discontinued operations</i>
	<i>Revenue from external customers</i>		<i>Non-current assets (excluding financial instruments and deferred tax assets)</i>	
	<i>Six months ended 30 September</i>		<i>At 30 September</i>	<i>At 31 March</i>
	<i>2022</i>	<i>2021</i>	<i>2022</i>	<i>2022</i>
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Audited)</i>
Hong Kong (place of domicile)	–	–	2,872	3,251
Australia	202,371	226,348	41,472	43,473
The People's Republic of China (the "PRC")	34,564	14,854	25	1,359
	<b>236,935</b>	241,202	<b>44,369</b>	48,083

**5. REVENUE**

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

	<i>Six months ended 30 September</i>	
	<i>2022</i>	<i>2021</i>
	<i>HK\$'000</i>	<i>HK\$'000</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>
		<i>(restated)</i>
<i>Continuing operations</i>		
Revenue from contracts with customers within the scope of IFRS 15		
Disaggregated by major products or service lines		
– Sales of milk powder and baby foods	236,101	239,571
– Franchise fee income	–	753
	<b>236,101</b>	240,324
Revenue from other sources		
Gross rentals from investment property		
– Lease payments that are fixed	834	878
	<b>236,935</b>	241,202

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

**6. OTHER INCOME**

<i>Continuing operations</i>	<b>Six months ended 30 September</b>	
	<b>2022</b>	<b>2021</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
		<b>(restated)</b>
Interest income on financial assets measured at amortised cost		
– Bank interest income	<b>1</b>	<b>1</b>
Government subsidy	<b>159</b>	<b>–</b>
Marketing service income	<b>15,765</b>	<b>–</b>
Sundry income	<b>7</b>	<b>985</b>
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	<b>15,932</b>	<b>986</b>
	<hr/> <hr/>	<hr/> <hr/>

**7. OTHER GAINS AND LOSSES**

<i>Continuing operations</i>	<b>Six months ended 30 September</b>	
	<b>2022</b>	<b>2021</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
		<b>(restated)</b>
Net foreign exchange loss	<b>(9,493)</b>	<b>(2,522)</b>
Gain arising from changes in fair value of financial assets at FVTPL – Listed equity securities	<b>495</b>	<b>–</b>
Valuation gain on investment property	<b>1,296</b>	<b>–</b>
	<hr/>	<hr/>
	<b>(7,702)</b>	<b>(2,522)</b>
	<hr/> <hr/>	<hr/> <hr/>

## 8. PROFIT BEFORE TAXATION

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

	Six months ended 30 September	
	2022 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited) (restated)
<b>Continuing operations</b>		
<b>(a) Finance costs:</b>		
Interest on other borrowing	1,512	–
Interest on lease liabilities	13	4
	<u>1,525</u>	<u>4</u>
Total interest expense on financial liabilities not at fair value through profit or loss	<u>1,525</u>	<u>4</u>
<b>(b) Staff costs (including Directors' emoluments):</b>		
Salaries, wages and other benefits	5,446	3,992
Retirement benefits scheme contributions	174	106
	<u>5,620</u>	<u>4,098</u>
<b>(c) Other items:</b>		
Cost of inventories sold ( <i>note (i)</i> )	197,391	220,564
Depreciation charges		
– Owned property, plant and equipment	16	11
– Right-of-use assets	370	392
Marketing service expense ( <i>note (ii)</i> )	12,118	71
Impairment losses of trade receivables	5,253	–
Rentals receivable from investment property less direct outgoings of HK\$87,000 (2021: HK\$114,000)	(747)	(764)
	<u>(747)</u>	<u>(764)</u>

### Notes:

- (i) Cost of inventories sold include purchase discounts of approximately HK\$27,870,000 (2021: HK\$3,794,000) which was mainly due to a purchase discount of HK\$25,354,000 (2021: Nil) based on subscription of 9,541,620 shares of Bubs Australia Limited (“**Bubs Australia**”) at nil consideration.
- (ii) Classified under selling and distribution costs in the condensed consolidated statement of profit or loss and other comprehensive income.

## 9. INCOME TAX

### Amounts recognised in profit or loss:

<i>Continuing operations</i>	Six months ended 30 September	
	2022 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited) (restated)
Current tax		
– Hong Kong Profits Tax for the period	3,933	1,979
– Australia Corporate Income Tax for the period	12	–
	<u>3,945</u>	<u>1,979</u>
Under-provision in respect of prior years		
– Australia Corporate Income Tax	–	36
Deferred tax – origination and reversal of temporary differences	<u>(867)</u>	<u>–</u>
Income tax expenses	<u><u>3,078</u></u>	<u><u>2,015</u></u>

#### Notes:

- (i) The provision for Hong Kong Profits Tax for the six months ended 30 September 2022 and 2021 is calculated at 16.5% of the estimated assessable profits for the period, except for one subsidiary of the Group which is a qualifying corporation under the two-tiered profits tax rate regime. For this subsidiary, the first HK\$2 million of assessable profits are taxed at 8.25% and the remaining assessable profits are taxed at 16.5%.
- (ii) The Group's subsidiaries established in Australia are subject to Australia Corporate Income Tax at 30% for the six months ended 30 September 2022 and 2021.
- (iii) The Group is not subject to any taxation under the jurisdiction of Bermuda and the British Virgin Islands for the six months ended 30 September 2022 and 2021.

## 10. DISCONTINUED OPERATION

### Deconsolidation of operation of the Mobile Business

On 16 September 2022, a special resolution of H K Rich Technology International Company Limited (“**HK Rich**”), a direct wholly-owned subsidiary of the Company principally engaging in the Mobile Business, was duly passed by the Company to wind up HK Rich by way of creditors’ voluntary liquidation (the “**Winding-up**”). Subsequent to the creditors’ meeting of HK Rich held on 30 September 2022, in which the appointment of joint and several liquidators was confirmed, the Company lost its control over HK Rich and its subsidiary and the Company deconsolidated the operation of the Mobile Business since then.

The results of the discontinued operation, which have been included in the profit for the six months ended 30 September 2022, are set out below. The comparative figures in the condensed consolidated statement of profit or loss and other comprehensive income have been restated to represent the Mobile Business as a discontinued operation.

	Six months ended 30 September	
	2022 HK\$’000 (Unaudited)	2021 HK\$’000 (Unaudited)
Revenue	4,253	12,797
Cost of sales	<u>(4,052)</u>	<u>(25,306)</u>
Gross profit/(loss)	201	(12,509)
Impairment losses of trade receivables	(1,040)	–
Other income	543	46
Other gains and losses	–	(72)
Selling and distribution costs	(6)	(27)
Administrative expenses	<u>(619)</u>	<u>(1,719)</u>
Loss from operations	(921)	(14,281)
Finance costs	<u>(30)</u>	<u>(44)</u>
Loss before taxation	(951)	(14,325)
Attributable income tax expenses	<u>(5)</u>	<u>(3)</u>
	(956)	(14,328)
Gain on deconsolidation of subsidiaries from discontinued operation ( <i>note (i)</i> )	<u>4,726</u>	<u>–</u>
Profit/(loss) for the period from discontinued operation and attributable to owners of the Company	<u><u>3,770</u></u>	<u><u>(14,328)</u></u>

Note:

(i) **Gain on deconsolidation of subsidiaries from discontinued operation**

	<b>Six months ended 30 September 2022 HK\$'000 (Unaudited)</b>
Net liabilities	(4,865)
Cumulative exchange loss reclassified from equity to profit or loss upon deconsolidation of subsidiaries	<u>139</u>
Gain on deconsolidation of subsidiaries from discontinued operation	<u><u>(4,726)</u></u>

**11. EARNINGS/(LOSS) PER SHARE**

(a) **Basic earnings/(loss) per share**

*Continuing operations*

The calculation of basic earnings per share from continuing operations is based on the profit for the period attributable to owners of the Company from continuing operations of approximately HK\$16,727,000 (2021: HK\$10,092,000) and the weighted average number of approximately 341,797,000 (2021: 314,360,000) ordinary shares in issue during the period, calculated as follows:

	<b>Six months ended 30 September</b>	
	<b>2022</b>	<b>2021</b>
	<b>'000</b>	<b>'000</b>
	<b>(Unaudited)</b>	<b>(Unaudited) (restated)</b>
Weighted average number of ordinary shares:		
Issued ordinary shares at 1 April	<b>314,360</b>	314,360
Effect of Shares issued upon placing	<u><b>27,437</b></u>	<u>–</u>
Weighted average number of ordinary shares	<u><u><b>341,797</b></u></u>	<u><u>314,360</u></u>
Basic earnings per share ( <i>HK cents per share</i> )	<u><u><b>4.9</b></u></u>	<u><u>3.2</u></u>

### ***Discontinued operation***

The calculation of basic earnings/(loss) per share from discontinued operation is based on the profit for the period attributable to owners of the Company from discontinued operation of approximately HK\$3,770,000 (2021: loss of approximately HK\$14,328,000) and the weighted average number of approximately 341,797,000 (2021: 314,360,000) ordinary shares in issue during the six months ended 30 September 2022.

	<b>Six months ended 30 September</b>	
	<b>2022</b>	<b>2021</b>
	<b>'000</b>	<b>'000</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
		<b>(restated)</b>
Weighted average number of ordinary shares	<b>341,797</b>	314,360
Basic earnings/(loss) per share ( <i>HK cents per share</i> )	<b>1.1</b>	(4.5)

### ***Continuing and discontinued operations***

The calculation of basic earnings/(loss) per share is based on the profit for the period attributable to owners of the Company of approximately HK\$20,497,000 (2021: loss of approximately HK\$4,236,000) and the weighted average number of approximately 341,797,000 (2021: 314,360,000) ordinary shares in issue during the six months ended 30 September 2022.

	<b>Six months ended 30 September</b>	
	<b>2022</b>	<b>2021</b>
	<b>'000</b>	<b>'000</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Weighted average number of ordinary shares	<b>341,797</b>	314,360
Basic earnings/(loss) per share ( <i>HK cents per share</i> )	<b>6.0</b>	(1.3)

#### **(b) Diluted earnings/(loss) per share**

There were no dilutive potential ordinary shares in issue during the six months ended 30 September 2022 and 2021. The diluted earnings/(loss) per share is the same as the basic earnings/(loss) per share for the six months ended 30 September 2022 and 2021.

## **12. DIVIDEND**

The Board does not recommend the payment of an interim dividend for the six months ended 30 September 2022 (2021: Nil).

### 13. TRADE AND OTHER RECEIVABLES

	At 30 September 2022 <i>HK\$'000</i> (Unaudited)	At 31 March 2022 <i>HK\$'000</i> (Audited)
Trade receivables, net of loss allowance ( <i>note (i)</i> )	157,504	51,823
Other receivables	18	687
Rental deposits	220	320
	<hr/>	<hr/>
Financial assets measured at amortised cost	157,742	52,830
Prepayments to suppliers	21,741	51,400
Other prepaid expenses	5,197	124
Other deposits	11	4
Other tax recoverable	53	39
	<hr/>	<hr/>
	<b>184,744</b>	<b>104,397</b>
	<hr/>	<hr/>
Representing:		
Current	184,524	104,077
Non-current	220	320
	<hr/>	<hr/>
	<b>184,744</b>	<b>104,397</b>
	<hr/>	<hr/>

Except for the rental deposit of HK\$220,000 (31 March 2022: HK\$320,000) which is expected to be recovered after more than one year, all of the trade and other receivables are expected to be recovered or recognised as expense within one year.

*Note:*

#### (i) Aging analysis

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

	At 30 September 2022 <i>HK\$'000</i> (Unaudited)	At 31 March 2022 <i>HK\$'000</i> (Audited)
0 to 30 days	10,863	36,254
31 to 60 days	7,874	1,329
61 to 90 days	14,110	9,540
Over 90 days but within 180 days	124,657	4,700
	<hr/>	<hr/>
	<b>157,504</b>	<b>51,823</b>
	<hr/>	<hr/>

Trade receivables are due within 0 to 180 days (31 March 2022: 0 to 90 days) from the date of billing.

## 14. TRADE AND OTHER PAYABLES

	At 30 September 2022 <i>HK\$'000</i> (Unaudited)	At 31 March 2022 <i>HK\$'000</i> (Audited)
Trade payables ( <i>note (i)</i> )	27,126	32,405
Other payables	262	1,422
Accruals	3,019	2,192
Salary payable	209	4,602
	<hr/>	<hr/>
Financial liabilities measured at amortised cost	30,616	40,621
Deposit received	12,056	421
Other tax payable	11,504	11,836
	<hr/>	<hr/>
	<b>54,176</b>	<b>52,878</b>
	<hr/> <hr/>	<hr/> <hr/>

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

*Note:*

### (i) Aging analysis

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

	At 30 September 2022 <i>HK\$'000</i> (Unaudited)	At 31 March 2022 <i>HK\$'000</i> (Audited)
0 to 30 days	21,965	31,917
31 to 60 days	4,457	–
61 to 90 days	704	488
	<hr/>	<hr/>
	<b>27,126</b>	<b>32,405</b>
	<hr/> <hr/>	<hr/> <hr/>

## MANAGEMENT DISCUSSION AND ANALYSIS

### Financial Results

The revenue of the Group for the six months ended 30 September 2022 from continuing operations was approximately HK\$236.9 million (2021: HK\$241.2 million), representing a slight decrease of 1.8% compared to the same period of last year. The profit for the period (including continuing and discontinued operations) was approximately HK\$20.5 million (2021: loss of HK\$4.2 million). The basic profit per share (including continuing and discontinued operations) amounted to HK6.0 cents (2021: basic loss per share of HK1.3 cents).

The turnaround from loss to profit was primarily attributable to the combined effect of:

- (i) an increase in profit from the Milk Products Business for the six months ended 30 September 2022, which was mainly due to a purchase discount of approximately HK\$25.4 million based on subscription of 9,541,620 shares of Bubs Australia (the “**Bubs Shares**”) at nil consideration after the Group achieved the purchase target for orders placed with Bubs Australia or its subsidiaries for the period from 1 July 2021 to 30 June 2022; and
- (ii) a reduction in loss from the Mobile Business resulted from further scaling-down of its operations during the six months ended 30 September 2022.

The Group regularly promotes the brands distributed under the Milk Products Business, and received marketing service income of approximately HK\$15.8 million for the six months ended 30 September 2022 (2021: Nil), resulting in an increase of the Group’s other income from continuing operations to approximately HK\$15.9 million (2021: HK\$1.0 million). Alongside with such increasing marketing efforts, the Group incurred marketing service expenses of approximately HK\$12.1 million (2021: HK\$0.1 million) for the six months ended 30 September 2022, resulting in an increase of the Group’s selling and distribution costs from continuing operations to approximately HK\$13.4 million (2021: HK\$1.2 million).

For the six months ended 30 September 2022, the administrative expenses of the Group from continuing operations amounted to approximately HK\$7.8 million (2021: HK\$5.8 million), which was mainly due to the increase in staff cost recognised by the Group.

### Business Review

The Group is principally engaged in the Milk Products Business, Property Investment and the Mobile Business which was discontinued during the six months ended 30 September 2022.

### ***Milk Products Business – Continuing Operations***

The Group runs its Milk Products Business focusing on crossborder milk powder trading in the PRC, Hong Kong and Australia. During the six months ended 30 September 2022, the Group mainly sold (i) milk powder of three brands from Australia and New Zealand, namely “Bubs”, “Aptamil” and “Bellamy’s”; (ii) adult milk powder of “Capela” and “CapriLac”; and (iii) an infant health care product – “Vita Bubs”.

On 26 September 2022, Willis Trading Limited (“**Willis Trading**”), the indirect wholly-owned subsidiary of the Company principally engaging in Milk Products Business, subscribed for, and Bubs Australia, a company incorporated in Australia with limited liability, the shares of which are listed on the ASX (ASX stock code: BUB), issued and allotted, 9,541,620 Bubs Shares at nil consideration after the Group achieved the purchase target for purchase orders placed with Bubs Australia or its subsidiaries for the period from 1 July 2021 to 30 June 2022 pursuant to the share subscription agreement entered into between Willis Trading and Bubs Australia on 3 March 2022 (the “**Share Subscription Agreement**”). Details of the transactions under the Share Subscription Agreement were set out in the announcements of the Company dated 3 March 2022, 24 March 2022, 5 July 2022 and 29 September 2022, respectively.

For the six months ended 30 September 2022, the revenue of the Milk Products Business was approximately HK\$236.1 million (2021: HK\$240.3 million), of which the revenue of sales of milk powder and baby foods was approximately HK\$236.1 million (2021: HK\$239.6 million), franchise fee income was nil (2021: HK\$0.7 million), and the corresponding gross profit was approximately HK\$38.7 million (2021: HK\$19.8 million), which is reflected by including a purchase discount of approximately HK\$25.4 million based on the subscription of 9,541,620 Bubs Shares at nil consideration as mentioned above. The reportable segment profit (adjusted EBITDA) was approximately HK\$25.0 million (2021: HK\$16.4 million).

### ***Property Investment – Continuing Operations***

The Group owns a piece of land at 152 Milperra Road, Revesby, NSW 2212, New South Wales, Australia, with a total site area of approximately 2,462 square metres and has a warehouse erected thereon with a total internal lettable area of approximately 1,906 square metres (the “**Property**”). The Property was recognised by the Group as an investment property and was measured at fair value on each reporting date. As at 30 September 2022, the fair value of the Property was estimated at approximately AUD8.0 million (31 March 2022: AUD7.8 million) (equivalent to approximately HK\$41.5 million (31 March 2022: HK\$43.5 million), representing approximately 14.3% (31 March 2022: 24.3%) of the total assets of the Group). For the six months ended 30 September 2022, the Property was leased to a lessee and generated rental income to the Group of approximately HK\$0.8 million (2021: HK\$0.9 million). The reportable segment profit (adjusted EBITDA) was approximately HK\$1.5 million (2021: HK\$0.7 million).

## ***Mobile Business – Discontinued Operation***

The impact on the economy caused by the Coronavirus disease 2019 (the “**COVID-19**”) has continued since its worldwide outbreak from the beginning of 2020. In its passive position coping with the pandemic, the Mobile Business is unable to recapture the already dropping orders and sales from its scaled-down operations. The gradual scaling-down of operations of the Mobile Business affects the ability of the Group to continue to carry on the businesses.

For the six months ended 30 September 2022, the revenue of the Mobile Business was approximately HK\$4.3 million (2021: HK\$12.8 million), representing a decrease of 66.4% as compared with the corresponding period of last year. For the six months ended 30 September 2022, the loss for the period from the Mobile Business was approximately HK\$1.0 million (2021: HK\$14.3 million).

On 16 September 2022, a special resolution of HK Rich, a direct wholly-owned subsidiary of the Company principally engaging in the Mobile Business, was duly passed by the Company to wind up HK Rich by way of creditors’ voluntary liquidation. Details of the Winding-up were set out in the announcement of the Company dated 16 September 2022. Subsequent to the creditors’ meeting of HK Rich held on 30 September 2022, in which the appointment of joint and several liquidators was confirmed, the financial positions and results of Mobile Business were deconsolidated from the consolidated financial statements of the Group.

The gain on deconsolidation of Mobile Business amounted to approximately HK\$4.7 million which was mainly contributed from the derecognition of net liabilities of the Mobile Business from the consolidated financial statements of the Group.

For the six months ended 30 September 2022, the profit for the period from the discontinued operation and attributable to owners of the Company of Mobile Business amounted to approximately HK\$3.8 million which represented the above-mentioned loss for the period from the Mobile Business and the gain on deconsolidation of Mobile Business.

## **Financial Review**

### ***Financial Resources, Liquidity and Capital Structure***

On 10 May 2022, 34,920,000 ordinary shares of the Company (the “**Shares**”) were issued additionally by way of placing (the “**Placing**”), raising gross proceeds of HK\$47.8 million. Details of the Placing were set out in the section headed “The Placing and Use of Proceeds” of this announcement.

Except for the proceeds received from the issuance of Shares through the Placing, the Group’s capital expenditure, daily operations and investments during the six months ended 30 September 2022 are mainly funded by cash generated from its operations and loan from a third party. The liquidity and financing requirements of the Group are reviewed on a regular basis. During the six months ended 30 September 2022, the Group had drawn down a loan of approximately AUD9.0 million (equivalent to HK\$46.8 million as at 30 September 2022) from a third party.

As at 30 September 2022, the Group had current assets of approximately HK\$219.2 million (31 March 2022: HK\$130.1 million) and current liabilities of approximately HK\$108.7 million (31 March 2022: HK\$61.3 million). The liquidity of the Group as evidenced by the current ratio (current assets over current liabilities) was 2.02 times (31 March 2022: 2.12 times).

As at 30 September 2022, the trade and other receivables of the Group were approximately HK\$184.7 million (31 March 2022: HK\$104.4 million), the increase of which was mainly attributable to a longer credit period granted to customers of Milk Products Business during the period. The inventories of the Group increased significantly from approximately HK\$4.8 million as at 31 March 2022 to approximately HK\$30.6 million as at 30 September 2022 due to stocking up of inventories to cope with the increasing demand from customers during the shopping festival in the PRC. The trade and other payables of the Group slightly increased from approximately HK\$52.9 million as at 31 March 2022 to approximately HK\$54.2 million as at 30 September 2022.

As at 30 September 2022, the Group maintained cash and bank balances of approximately HK\$4.1 million (31 March 2022: HK\$20.9 million), of which 16.8% (31 March 2022: 14.5%) were denominated in Hong Kong dollars (“**HK\$**”) or United States dollars (“**US\$**”) and 65.4% (31 March 2022: 84.0%) were denominated in Australian dollars (“**AUD**”). The decrease of cash and bank balances of approximately HK\$16.8 million as compared to the position as at 31 March 2022 was mainly due to the use of cash in operating activities, in particular, the Milk Products Business.

As at 30 September 2022, the Group had outstanding borrowing of approximately HK\$46.8 million (31 March 2022: Nil) repayable within one year. There was no outstanding borrowing repayable after one year (31 March 2022: Nil). The Group’s outstanding borrowing was denominated in AUD and was charged with interest at floating rate.

The Group’s strategy was to maintain the gearing ratio at the lowest as possible. The gearing ratio (calculated by net debt over total equity) of the Group as at 30 September 2022 was as follows:

	At 30 September 2022 <i>HK\$’000</i> (Unaudited)	At 31 March 2022 <i>HK\$’000</i> (Audited)
Total debt (sum of current liabilities and non-current liabilities)	<b>108,687</b>	62,469
Less: cash and bank balances	<b>(4,114)</b>	(20,901)
Net debt	<b><u>104,573</u></b>	<b><u>41,568</u></b>
Total equity	<b><u>181,281</u></b>	<b><u>116,351</u></b>
Gearing ratio	<b><u>57.7%</u></b>	<b><u>35.7%</u></b>

## ***Treasury Policy and Financial Management***

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

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

## ***Risk of Foreign Exchange Fluctuation***

The Group's foreign exchange risk primarily arises from transactions, working capitals and investments denominated in foreign currencies, mainly in AUD and US\$. During the six months ended 30 September 2022, the Group did not use any financial instruments for hedging purposes and the Group did not have any hedging instruments outstanding as at 30 September 2022.

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

## ***Charge on Group Assets***

The Group as the borrower entered into a loan agreement with a third-party lender for a loan facility of HK\$50.0 million (the "**Loan Facility**"), and the Group drew approximately AUD9.0 million (equivalent to HK\$46.8 million as at 30 September 2022) under the Loan Facility. The Loan Facility was guaranteed by the Company and was secured by a debenture created by the Company a first fixed and floating charge over its undertaking, property and assets as security for the due payment of all monies payable under the Loan Facility (31 March 2022: Nil).

## ***Contingent Liabilities***

The Group had no contingent liabilities as at 30 September 2022 (31 March 2022: Nil).

## ***Material Capital Commitments***

The Group had no material capital commitments as at 30 September 2022 (31 March 2022: Nil).

### ***Significant Investments Held***

As at 30 September 2022, the Group held 9,541,620 Bubs Shares which represents approximately 1.28% of the issued share capital of Bubs Australia as at 30 September 2022. The 9,541,620 Bubs Shares were issued and allotted by Bubs Australia at nil consideration to the Group after the Group achieved the purchase target under the Share Subscription Agreement. The fair value of the 9,541,620 Bubs Shares as at 30 September 2022 amounted to AUD4.8 million (equivalent to approximately HK\$25.0 million, representing approximately 8.6% of the total assets of the Group). There was no dividend received from Bubs Australia for the Bubs Shares held by the Group during the six months ended 30 September 2022.

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

Save as disclosed in this paragraph and in the paragraph headed “Business Review – Property Investment”, the Group did not hold other significant investments as at and for the six months ended 30 September 2022.

### ***Material Acquisitions and Disposals***

Save as the Winding-up of HK Rich, the Group had no material acquisitions and disposals of subsidiaries, associates or joint ventures for the six months ended 30 September 2022.

### ***Event after the End of the Reporting Period***

There were no significant events affecting the Group and requiring disclosure that has taken place subsequent to 30 September 2022 and up to the date of this announcement.

### **Employees**

As at 30 September 2022, the Group had 26 employees (31 March 2022: 36). Total staff cost from continuing operations, including Directors’ emoluments, of approximately HK\$5.6 million (2021: HK\$4.1 million) was incurred during the six months ended 30 September 2022. 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.

## **The Placing and Use of Proceeds**

On 31 March 2022, the Company entered into a placing agreement (the “**Placing Agreement**”) with Morton Securities Limited (the “**Placing Agent**”), pursuant to which, the Placing Agent has conditionally agreed, as the placing agent of the Company, to procure, on a best effort basis, not less than six placees (the “**Placees**”) to subscribe for up to 34,920,000 shares (the “**Placing Shares**”) at the placing price of HK\$1.40 per Placing Share. The market price of the Shares on 31 March 2022, the date on which the terms of the Placing were fixed, was HK\$1.37 per Share.

The Placing Shares were allotted and issued under the general mandate granted to the Directors at the annual general meeting of the Company convened on 8 September 2021. The Directors are of the view that the Placing will enhance the capital base and shareholders base of the Company. In addition, the net proceeds of the Placing will strengthen the Group’s financial position supporting the operations and business development of the Group. The Placing was completed on 10 May 2022, with a total of 34,920,000 Placing Shares being successfully placed to not less than six Placees who are individuals, professionals, institutional or other investors whom the Placing Agent has procured to subscribe for any of the Placing Shares pursuant to its obligations under the Placing Agreement who (including its ultimate beneficial owners) are regarded as public (as defined in the Listing Rules) and independent of and not connected with the Company, the Directors, chief executive and substantial shareholders of the Group or any of their respective associates. The aggregate nominal value of the Placing Shares is US\$5.6 million. The gross proceeds from the Placing were approximately HK\$48.9 million while the net proceeds were approximately HK\$47.8 million (after deduction of commission and other expenses of the Placing), representing a net issue price of approximately HK\$1.37 per Placing Share. Details of the Placing were set out in the announcements of the Company dated 31 March 2022, 11 April 2022 and 10 May 2022, respectively.

It is intended that the net proceeds of approximately HK\$47.8 million would be used by the Group in the following manner:

- (i) approximately HK\$47.3 million shall be used for the purchase of inventory for the Milk Products Business by the end of June 2022; and
- (ii) approximately HK\$0.5 million shall be used for general working capital of the Group, including salary payments for the recruitment of additional staff responsible for the Milk Products Business.

The Placing was completed on 10 May 2022, and the net proceeds from the Placing of approximately HK\$47.8 million were fully utilised for its intended usage in the above manner during the six months ended 30 September 2022.

## **Business Development**

During the six months ended 30 September 2022, the Group continued to devote resources to the Milk Products Business. Currently, the Group mainly sells milk powder under the brands of “Bubs”, “Aptamil” and “Bellamy’s”.

To further develop the Milk Products Business, the Group signed exclusive distributorship agreements (the “**Exclusive Distributorship Agreements**”) with a subsidiary of Bubs Australia in November 2021 and March 2022, acquiring the exclusive distributorship in Hong Kong and the PRC for several “Bubs” products. On 3 March 2022, the Group entered into the Share Subscription Agreement with Bubs Australia, pursuant to which the Group will have the right to subscribe for up to an aggregate of 29,541,620 Bubs Shares when certain “Bubs” product purchase milestones have been reached by the Group, at nil consideration. On 26 September 2022, after the Group achieved the purchase target for purchase orders placed with Bubs Australia or its subsidiaries for the period from 1 July 2021 to 30 June 2022 pursuant to the terms of the Share Subscription Agreement, the Group subscribed for and Bubs Australia issued and allotted 9,541,620 Bubs Shares at nil consideration. Details of the transactions under the Share Subscription Agreement and the Exclusive Distributorship Agreements are set out in the announcements of the Company dated 3 March 2022, 24 March 2022, 5 July 2022 and 29 September 2022, respectively. The Group is working on achieving the purchase target for the period from 1 July 2022 to 30 June 2023 pursuant to the Share Subscription Agreement to catch the benefit from the potential subscription of a maximum of the remaining 20,000,000 Bubs Shares at nil consideration.

In August 2022, the Group formed a joint venture with Bubs Australia, namely, Bubs Supreme Partner Pty Ltd (the “**JV Company**”), which is owned by the Group as to 49%, and operates as the exclusive licensee of certain trademarks with the name “Bubs Supreme” (the “**Bubs Supreme Trademarks**”) owned by Bubs IP Pty Ltd (“**Bubs IP**”, a subsidiary of Bubs Australia). The JV Company sub-licensed the use of the Bubs Supreme Trademarks to the Group, on a non-exclusive, royalty-free and perpetual basis, in the PRC, Hong Kong, Macau and Taiwan for the purpose of advertising, marketing and distributing the “Bubs Supreme” products. It is considered that the licensing of rights on the Bubs Supreme Trademarks gives the Group the right to use the Bubs Supreme Trademarks, which may potentially lead to better sales performance of the Group and contribute positively to the Group’s financial results. The formation of the joint venture and the grant of a licence to the JV Company by Bubs IP to use the Bubs Supreme Trademarks further strengthen the business cooperation between the Group and Bubs Australia. Details of the licensing of rights on Bubs Supreme Trademarks and the formation of the JV Company were set out in the announcement of the Company dated 2 August 2022.

Since the outbreak of COVID-19, the Group has been facing tremendous pressure in running the Mobile Business and has gradually scaled down the operations in this segment. The results of the Mobile Business have continuously deteriorated since the year ended 31 March 2020. Even with the segmental profit from the Milk Products Business, it was insufficient to offset the significant loss generated from the Mobile Business during the years ended 31 March 2022 and 31 March 2021. Having considered (i) the insolvency of HK Rich; (ii) the continuing and increasing loss of the Mobile Business due to intensifying competition, changes in the international political situation and environment, trade disputes, the rise in costs of raw materials, the loss of several major markets, as well as the impacts of the COVID-19 pandemic; (iii) the gradual scaling-down of operations of the Mobile Business which affects the ability of the Group to continue to carry on its businesses; and (iv) the unrealistic prospect of the Mobile Business due to the reduction of the viability of small and medium scale mobile handset manufacturers and processors, a special resolution of HK Rich was duly passed by the Company on 16 September 2022 to wind up HK Rich. The Group will be able to reduce its loss after the Winding-Up of HK Rich, and devote its resources to managing and developing other existing businesses of the Group with potential growth.

## Outlook

The Group's business strategy has been to (i) reinforce the existing business foundation; (ii) strengthen the Group's competitive edge; and (iii) actively seek opportunities for business development and diversification.

The Milk Products Business, with the development for nearly three years since it was developed by the Group in February 2020, is gradually on track. Through strengthening the cooperation and enhancing the relationship with brands such as "Bubs" and "Bellamy's", the Group has obtained stable and quality supply of products, further strengthening the earning base of the Milk Products Business of the Group. The Group will continually put resources into the promotion of the brands distributed by it, so as to maintain the exposure and market performance of products. In the future, the Group will further advance the diversification of products portfolio while continuing to promote the sales plan and marketing in mainland China, to meet the increasing demands of different customers and to maintain the growth of Milk Products Business. A point to note is that the Group had formed a joint venture with Bubs Australia in August 2022, namely, Bubs Supreme Partner Pty Ltd, which was granted an exclusive, royalty-free and sub-licensable licence to use the Bubs Supreme Trademarks in the PRC, Hong Kong, Macau and Taiwan for the purpose of advertising, marketing and distributing the "Bubs Supreme" products. In the event that the brand name of the "Bubs Supreme" products becomes more well-received, the value of the JV Company, being the exclusive licensee of the Bubs Supreme Trademarks in the PRC, Hong Kong, Macau and Taiwan, is likely to be enhanced, in which the Group has a 49% shareholding interest of JV Company.

Following the Winding-up of the subsidiary engaged in the Mobile Business by way of creditors' voluntary liquidation conducted through appointing joint and several liquidators in September 2022, the financial results of the Mobile Business were deconsolidated from those of the Group since then. Going forward, leveraging on the further development of the Milk Products Business and the stable rental income provided by the Property Investment, it is hopeful that the financial results of the Group will experience a positive improvement, and it is expected that the Group will be able to create greater value for its shareholders.

The COVID-19 pandemic is still ongoing, but the severity of the pandemic is expected to diminish as the number of people vaccinated with the COVID-19 vaccine increases in various countries, and Hong Kong and mainland China have also begun to gradually relax epidemic prevention measures. However, the global economy has recently experienced a downturn due to the pandemic and the situation of the Russia-Ukraine war, and the global economic development remains to be seen. The Group will continue to leverage its strengths to boost its business performance and overcome possible challenges in the future, as it sees opportunities alongside the crisis.

## **COMPLIANCE WITH CORPORATE GOVERNANCE CODE**

The Company has complied with the applicable code provisions of the Corporate Governance Code as set out in part 2 of Appendix 14 to the Listing Rules throughout the six months ended 30 September 2022.

## **DIRECTORS' SECURITIES TRANSACTIONS**

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

Specific enquiry has been made to each of the Directors and all Directors confirmed that they have complied with the required standards as set out in the Model Code throughout the six months ended 30 September 2022.

## **AUDIT COMMITTEE REVIEW**

The Audit Committee has reviewed with the management the accounting principles and practices adopted by the Group and discussed financial reporting matters including a general review of the unaudited interim financial report for the six months ended 30 September 2022. In carrying out this review, the Audit Committee has relied on a review conducted by the Group’s external auditor in accordance with Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by HKICPA as well as reports obtained from management. The Audit Committee has not undertaken detailed independent audit checks.

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

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the listed securities of the Company for the six months ended 30 September 2022.

## **INTERIM DIVIDEND**

The Board does not recommend the payment of an interim dividend for the six months ended 30 September 2022 (2021: Nil).

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

The 2022 interim report of the Company will be despatched to the shareholders of the Company and made available on the websites of the Stock Exchange (<http://www.hkexnews.hk>) and the Company (<http://www.hk-alpha.com>) in due course.

### **ACKNOWLEDGEMENT**

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

On behalf of the Board  
**Alpha Professional Holdings Limited**  
**CHEN Xu**  
*Executive Director*

Hong Kong, 30 November 2022

*As at the date of this results announcement, the executive Directors are Mr. Chen Xu and Ms. Wu Feizi, and the independent non-executive Directors are Mr. Li Chak Hung, Mr. Choi Kin Man and Mr. Ngai Wah Sang.*

\* *For identification purposes only*