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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)

INSIDE INFORMATION

REDUCTION IN LOSS

This announcement is made by Alpha Professional Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board (the “**Board**”) of directors (the “**Directors**”) of the Company hereby informs the shareholders and potential investors of the Company that, based on the financial information currently available to the management, the Group expects to record a substantial drop in revenue for the six months ended 30 September 2024 (the “**Period**”) as compared with the corresponding figure for the six months ended 30 September 2023 (the “**Corresponding Period**”) mainly due to drop in sales volume of milk powder and revenue from property investment. Notwithstanding the above, it is expected that the Group will record a loss for the Period of not more than HK\$27.0 million as compared to the loss of approximately HK\$33.7 million for the Corresponding Period. The slight reduction in loss was primarily attributable to the combined effect of:

- (i) an increase in gross profit for the Period as compared to the Corresponding Period despite a drop of over 80% in revenue, such increase which was mainly due to change in brands of milk powder sold under the business segment of trading of milk powder and baby foods, and new source of income from (a) the expansion of the logistics services business segment; and (b) the operation of the e-commerce platform(s) under the trading of milk powder and baby foods business segment;
- (ii) a significant decrease in the net provision for impairment losses on financial assets for the Period recognised according to the Group’s accounting policy in respect of the expected credit losses as compared to the Corresponding Period; and

- (iii) a significant increase in administrative expenses recorded during the Period which was mainly due to an increase in staff costs resulting from the growth in the number of staff for the operations of the e-commerce platform(s) as well as the Group's logistics services business segment, and an increase in legal and professional fees.

As the Company is still in the process of finalising its interim results of the Group for the Period, the expected loss may be further adjusted, which is subject to the impairment losses of financial assets for the Period. The information contained in this announcement is only based on a preliminary assessment by the management of the Group with reference to the information currently available including the latest unaudited consolidated financial information of the Group, which have not been audited or reviewed by the auditors nor reviewed by the audit committee of the Company. The actual results of the Group for the Period may be different from the information disclosed herein. Shareholders and potential investors of the Company are advised to read carefully the interim results announcement of the Company for the Period which is expected to be issued on or around 29 November 2024.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.

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

Hong Kong, 22 November 2024

As at the date of this announcement, the executive Directors are Mr. Zhao Lei and Ms. Wu Feizi, and the independent non-executive Directors are Mr. Li Chak Hung, Mr. Tu Chunan and Mr. Chen Jianguo.

** For identification purpose only*