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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)

PROFIT WARNING

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).

Reference is made to the announcement of the Company dated 24 June 2020 in relation to the Disposal (as defined below). On 24 June 2020, a direct wholly-owned subsidiary of the Company (the “**Vendor**”) entered into an agreement with a proposed purchaser, an independent third party of the Company, pursuant to which the Vendor agreed to sell, and the proposed purchaser agreed to acquire, the account receivables in the aggregate amount of US\$5,051,458.76 due from and payable by two customers of the Group (the “**Disposal**”).

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 Board and after assessing the impact of the Disposal, the Group expects to record a significant loss for the year ended 31 March 2020 as compared to a profit for the year ended 31 March 2019. Subject to the completion of the Disposal, it is expected that the loss attributable to the owners of the Company, which included continuing and discontinued operations, would range from approximately HK\$88.0 million to approximately HK\$95.0 million. Such loss was primarily attributable to:

- (i) a non-recurring loss of approximately HK\$54.2 million recognised for the disposal of Great Empire International Group Limited, details of which were set out in the announcements of the Company dated 18 September 2019, 3 January 2020 and 24 January 2020, respectively and the circular of the Company dated 12 December 2019;

- (ii) a decline in the sales volume and average selling price of the Group's mobile handset products as compared to the previous year, which was mainly affected by the fluctuations in the market environment, the changes in the international economic and political situation, and the outbreak of Coronavirus disease (COVID-19) worldwide in early 2020; and
- (iii) an impairment loss recognised for trade receivables in the amount of approximately HK\$9.5 million assuming the completion of the Disposal, which is expected to take place on 26 June 2020 as disclosed in the announcement of the Company dated 24 June 2020.

In the event that the completion of the Disposal does not take place, the impairment loss recognised for trade receivables is expected to be increased from approximately HK\$9.5 million to approximately HK\$39.5 million, and as such, it is anticipated that the loss attributable to the owners of the Company for the year ended 31 March 2020, which included continuing and discontinued operations, would range from approximately HK\$118.0 million to approximately HK\$125.0 million.

As the Company is still in the process of finalising its annual results of the Group for the year ended 31 March 2020, 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 independent auditors of the Company. The actual results of the Group for the year ended 31 March 2020 may be different from the information disclosed herein. Shareholders and potential investors of the Company are advised to read carefully the annual results announcement of the Company for the year ended 31 March 2020 which is expected to be issued on or before 30 June 2020.

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
XIONG Jianrui
Chairman

Hong Kong, 24 June 2020

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

* *For identification purpose only*