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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)

DISCLOSEABLE TRANSACTION DISPOSAL OF ACCOUNTS RECEIVABLES

THE DISPOSAL

On 24 June 2020, the Vendor (a direct wholly-owned subsidiary of the Company) and the Purchaser entered into the Disposal Agreement, pursuant to which the Vendor agreed to sell, and the Purchaser agreed to acquire, the Accounts Receivables at the Consideration of HK\$30,000,000.

LISTING RULES IMPLICATIONS

As more than one of the relevant Percentage Ratios in respect of the Disposal exceed 5% but is less than 25%, the Disposal constitutes a discloseable transaction for the Company and is subject to announcement requirement but exempt from Shareholders' approval requirement under Chapter 14 of the Listing Rules.

THE DISPOSAL

On 24 June 2020, the Vendor and the Purchaser entered into the Disposal Agreement, pursuant to which the Vendor agreed to sell, and the Purchaser agreed to acquire, the Accounts Receivables at the Consideration of HK\$30,000,000.

The principal terms of the Disposal Agreement are as follows:

Date

24 June 2020

Parties

- (1) The Vendor (as vendor)
- (2) The Purchaser (as purchaser)

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, the Purchaser and its ultimate beneficial owner(s) are third parties independent of the Company and its connected persons.

The Accounts Receivables to be disposed of

The original book value of the Accounts Receivables (before any impairment losses made) was approximately US\$5,051,458.76 (equivalent to approximately HK\$39,401,378.33), comprising:–

- (i) US\$3,421,867.86 (equivalent to approximately HK\$26,690,569.31), being the amount due from Customer A; and
- (ii) US\$1,629,590.90 (equivalent to approximately HK\$12,710,809.02), being the amount due from Customer B.

The Accounts Receivables, which arises from the ordinary and usual course of business of the Group, have been overdue for over six months as at the date of this announcement. Prior to Completion, the Vendor shall give notice to the Customers to inform the Customers that the Vendor entered into the Disposal Agreement with the Purchaser, and that the Customers shall pay the monies due under the Accounts Receivables to the Purchaser directly.

The Disposal is without recourse against the Vendor, which means that the Vendor is not liable for default in payment by the Customers of the Accounts Receivables being disposed of.

Consideration and payment terms

The Consideration for the Disposal shall be HK\$30,000,000, and shall be payable by the Purchaser in cash upon Completion. The Consideration was determined based on arm's length negotiations between the Vendor and the Purchaser on normal commercial terms with reference to the carrying value of the Accounts Receivables, the possibility of the collection of the Accounts Receivables and the credit worthiness of the Customers.

Completion of the Disposal

Completion of the Disposal shall take place on the next Business Day after the date of the Disposal Agreement (i.e.: 26 June 2020) or such later date as may be agreed by the Vendor and the Purchaser in writing.

INFORMATION ON THE COMPANY, THE VENDOR AND THE PURCHASER

The Company and the Group

The Company is established under the laws of Bermuda with limited liability and is an investment holding company. The principal activities of the Group are the provision of mobile handset solution and the trading of milk powder and baby foods.

The Vendor

The Vendor is incorporated in Hong Kong with limited liability, and a direct wholly-owned subsidiary of the Company. The principal business activity of the Vendor is the provision of mobile handset solution.

The Purchaser

The Purchaser is incorporated in Hong Kong with limited liability. The principal business activity of the Purchaser is corporate consulting.

REASONS FOR AND BENEFIT OF THE DISPOSAL AND USE OF PROCEEDS

It is estimated that, upon Completion, the Group will not record any gain or loss before taxation from the Disposal, as the carrying value of the Accounts Receivables derived with deducting the impairment losses from the original book value of the Accounts Receivables is same as the Consideration of HK\$30,000,000. Shareholders should note that the actual gain or loss arising from the Disposal may be different from the above estimation and will be determined based on the impairment losses provided on the results of the Group for the year ended 31 March 2020 and the relevant expenses incurred in relation to the Disposal and is subject to review by the Company's auditor.

The Directors are of the view that the outlook of the global economy remains challenging in 2020 in view of the prolonged Sino-US trade war and the outbreak of COVID-19. Therefore, the Directors believe that a prudent cashflow management is beneficial to the Group, and that the Disposal represents a good opportunity for the Group to strengthen its cash position by realising the Accounts Receivables into cash in a more predictable timeframe. Moreover, the sale proceeds from the Disposal strengthen the Group's capital base and bring additional financial resources for the Group.

The Directors consider that the terms of the Disposal Agreement are on normal commercial terms, fair and reasonable so far as the Shareholders are concerned and are in the interests of the Company and the Shareholders as a whole.

The proceeds arising from the Disposal of approximately HK\$30,000,000 will be used for general working capital of the Group.

LISTING RULES IMPLICATIONS

As more than one of the relevant Percentage Ratios in respect of the Disposal exceed 5% but is less than 25%, the Disposal constitutes a discloseable transaction for the Company and is subject to announcement requirement but exempt from Shareholders' approval requirement under Chapter 14 of the Listing Rules.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise:

“Accounts Receivables”	an aggregate amount of US\$5,051,458.76 (equivalent to approximately HK\$39,401,378.33) due from and payable by the Customers to the Vendor as at 30 May 2020, comprising (i) US\$3,421,867.86 (equivalent to approximately HK\$26,690,569.31), being the amount due from Customer A; and (ii) US\$1,629,590.90 (equivalent to approximately HK\$12,710,809.02), being the amount due from Customer B, and all other rights and benefits whatsoever accruing (whether now or in the future) to the Vendor from the Customers under the existing supply contracts between the Vendor and the Customers as at 30 May 2020 and the full benefit of all rights and remedies relating thereto including, but not limited to, all claims for damages and other remedies for non-payment of the same;
“Board”	the board of Directors;

“Business Day”	a day on which banks in Hong Kong are open for business in the ordinary course, other than public holidays, Saturdays and Sundays;
“Company”	Alpha Professional Holdings Limited, a company incorporated in Bermuda with limited liability whose Shares are listed on the main board of the Stock Exchange (stock code: 948);
“Completion”	the completion of the Disposal pursuant to the terms of the Disposal Agreement;
“connected person”	has the meaning ascribed to it under the Listing Rules;
“Consideration”	the consideration payable by the Purchaser to the Vendor for the Accounts Receivables, being HK\$30,000,000;
“COVID-19”	Coronavirus disease (COVID-19), a coronavirus identified as the cause of an outbreak of respiratory illness;
“Customer A”	a company incorporated in the United Arab Emirates with limited liability, being a customer of the Vendor which is principally engaged in retail sale of mobile and telecommunication equipment;
“Customer B”	a company incorporated in Hong Kong with limited liability, being a customer of the Vendor which is principally engaged in trading of electronic and communication products;
“Customers”	Customer A and Customer B;
“Director(s)”	the director(s) of the Company;
“Disposal”	the disposal of the Accounts Receivables by the Vendor to the Purchaser pursuant to the Disposal Agreement;
“Disposal Agreement”	the disposal agreement between the Vendor and the Purchaser dated 24 June 2020 pursuant to which the Vendor agreed to dispose of and the Purchaser agreed to acquire the Accounts Receivables;
“Group”	the Company and its subsidiaries;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China;

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Percentage Ratios”	the percentage ratios as set out in Rule 14.07 of the Listing Rules to be applied for determining the classification of a transaction;
“Purchaser”	BH Management Company Limited, a company incorporated in Hong Kong, being the purchaser of the Accounts Receivables;
“Share(s)”	ordinary share(s) of US\$0.16 each in the share capital of the Company;
“Shareholders”	holder(s) of the Shares;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“US\$”	United States dollars, the lawful currency of the United States of America;
“Vendor”	H K Rich Technology International Company Limited, a company incorporated in Hong Kong with limited liability and a direct wholly-owned subsidiary of the Company, being the vendor of the Accounts Receivables; and
“%”	per cent.

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

Hong Kong, 24 June 2020

For the purpose of this announcement, translations of United States dollars into Hong Kong dollars or vice versa have been calculated by using an exchange rate of HK\$7.8 equal to US\$1.00. 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.

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*