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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 ACQUISITION OF PROPERTY IN AUSTRALIA

THE ACQUISITION

The Board is pleased to announce that, on 11 January 2021, the Purchaser (an indirect wholly-owned subsidiary of the Company) and the Vendor entered into the Contract for Sale, pursuant to which the Vendor agreed to sell, and the Purchaser agreed to acquire, the Property at the Consideration of A\$7,500,000 (equivalent to approximately HK\$44,950,000).

LISTING RULES IMPLICATION

As more than one of the applicable percentage ratios (as defined under the Listing Rules) in respect of the Acquisition are more than 5% but all are less than 25%, the Acquisition constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules, and is subject to notification and announcement requirements under the Listing Rules.

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THE CONTRACT FOR SALE

The principal terms of the Contract for Sale are set out below:

Date

11 January 2021

Parties

- (1) AZ Global, acting as the trustee of the Trust, as the Vendor
- (2) The Purchaser

Subject matter

Pursuant to the Contract for Sale, the Vendor conditionally agreed to sell, and the Purchaser conditionally agreed to acquire, the Property in accordance with the terms of the Contract for Sale.

The Property is 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 is currently leased by the Vendor to a lessee with annual rental of A\$300,000 (equivalent to approximately HK\$1,798,000). It is the current intention of the Group to continue to lease the Property to the existing lessee of the Property upon Completion.

Consideration and payment terms

The Consideration for the Acquisition is A\$7,500,000 (equivalent to approximately HK\$44,950,000), and was determined after arm's length negotiations between the parties with reference to the valuation of the Property of A\$7,500,000 (equivalent to approximately HK\$44,950,000) as at 25 November 2020 prepared by an independent valuer based on the price of comparables in the vicinity.

The Consideration is payable by the Purchaser in the following manner:

- (i) a deposit of A\$750,000 (equivalent to approximately HK\$4,495,000), representing 10% of the Consideration shall be paid on the date of the Contract for Sale; and
- (ii) the remaining balance of the Consideration in the amount of A\$6,750,000 (equivalent to approximately HK\$40,455,000) shall be payable on the date of Completion.

All stamp duty payable in relation to the Acquisition shall be borne by the Purchaser.

The Group intends to fund the Acquisition from (i) the remaining net proceeds amounting to approximately HK\$33.8 million from the issuance of Shares by way of the placing completed on 17 April 2020; and (ii) the Group's internal resources.

Conditions precedent

Completion is conditional upon the Purchaser obtaining the approval from FIRB and the Company obtaining the approval from the relevant regulatory authorities in Hong Kong (if any) on the Acquisition, both within six months of the date of the Contract for Sale.

Should the Purchaser fail to obtain the approval from FIRB and/or should the Company fail to obtain the approval from the relevant regulatory authorities in Hong Kong (if any) within six months of the date of the Contract for Sale, the Purchaser may rescind the Contract for Sale by serving a written notice on the Vendor, provided that it has given requisite evidence to the satisfaction of the Vendor.

If the Purchaser fails to confirm to the Vendor within six months of the date of the Contract for Sale that, among other things, it has obtained the approval from FIRB and/or the Company has obtained the approval from the the relevant regulatory authorities in Hong Kong (if any), the Vendor may rescind the Contract for Sale by giving a notice in writing to the Purchaser.

If the conditions precedent are not fulfilled within six months of the date of the Contract for Sale and the Purchaser or the Vendor (as the case may be) rescinds the Contract of Sale in accordance with the terms thereunder, the deposit already paid will be refunded to the Purchaser less any administration costs incurred by the Vendor.

Completion

Completion shall take place within 14 days from the date of fulfillment of the conditions precedent of the Acquisition.

REASONS FOR AND BENEFITS OF THE ACQUISITION

The Group established its business presence in Australia since February 2020 after its acquisition of subsidiaries which principally engage in the trading of milk powder and baby foods with a focus on cross-border milk powder trading in the PRC, Hong Kong and Australia.

As it is currently expected that the Group will continue to lease the Property to the existing lessee of the Property upon Completion, the rental income from which would bring additional revenue to the Group. In the event that the Group requires a warehouse for its business operations in Australia in future, the Property may serve as a warehouse for self-use and save rental costs from a long-term perspective.

The Property is located in Revesby, Sydney, New South Wales, Australia and is located next to main arterial roads connecting the Property to the central business district of Sydney, Australia.

In view of the above, the Board (including the independent non-executive Directors) considers that the terms of the Contract for Sale are fair and reasonable including the Consideration which equals to the valuation of the Property prepared by an independent valuer based on the price of comparables in the vicinity, and hence, the Acquisition is in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATION

As more than one of the applicable percentage ratios (as defined under the Listing Rules) in respect of the Acquisition are more than 5% but all are less than 25%, the Acquisition constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules, and is subject to notification and announcement requirements under the Listing Rules.

INFORMATION ON THE GROUP, THE PURCHASER AND THE VENDOR

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 trading of milk powder and baby foods and the provision of mobile handset solution.

The Purchaser

The Purchaser is a company incorporated in Australia with limited liability, and an indirect wholly-owned subsidiary of the Company. The principal business activity of the Purchaser is investment holding.

The Vendor

The Vendor is AZ Global, acting as the trustee of the Trust. AZ Global is a company incorporated in Australia with limited liability and is the trustee of the Trust. AZ Global is wholly-owned by Ms. Xu Lin.

The Trust is a discretionary investment trust established on 5 July 2018 for the purpose of wealth management. The beneficiaries of the Trust are Ms. Xu Lin and Mr. Zhang Wenjun.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, each of the Vendor, the Trust and its respective ultimate beneficial owners or beneficiaries (as the case may be) is a third party independent of the Company and its connected persons.

DEFINITIONS

“Acquisition”	the acquisition of the Property by the Purchaser pursuant to the Contract for Sale;
“AZ Global”	A Z Global Investment Pty Ltd, a company incorporated in Australia with limited liability;
“A\$”	Australian Dollar, the lawful currency of Australia;

“Board”	the board of Directors;
“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”	completion of the Acquisition pursuant to the terms of the Contract for Sale;
“Contract for Sale”	the contract for the sale and purchase of land dated 11 January 2021 entered into between the Purchaser and the Vendor in respect of the Acquisition;
“Consideration”	the consideration payable by the Purchaser to the Vendor for the Acquisition, being A\$7,500,000 (equivalent to approximately HK\$44,950,000);
“Director(s)”	the director(s) of the Company;
“FIRB”	the Foreign Investment Review Board of Australia;
“Group”	the Company and its subsidiaries;
“HK\$”	Hong Kong Dollar, the lawful currency of Hong Kong;
“Hong Kong”	Hong Kong Special Administrative Region of the PRC;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Main Board”	Main Board of the Stock Exchange (excludes the option market) operated by the Stock Exchange which is independent from and operated in parallel with the GEM of the Stock Exchange;
“PRC”	the People’s Republic of China, and for the purpose of this announcement only, excludes Taiwan, Hong Kong and Macau Special Administrative Region of the People’s Republic of China;
“Property”	the land parcel at 152 Milperra Road, Revesby, NSW 2212, New South Wales, Australia with a total site area of approximately 2,462 square metres together with all buildings and structures erected thereon;

“Purchaser”	GA Australia Investment Pty Ltd, a company incorporated in Australia with limited liability, and an indirect wholly-owned subsidiary of the Company;
“Share(s)”	ordinary share(s) of US\$0.16 each in the share capital of the Company;
“Shareholders”	holder(s) of the Share(s);
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Trust”	A Z Global Investment Trust, a discretionary investment trust established on 5 July 2018;
“Vendor”	AZ Global, acting as the trustee of the Trust; and
“%”	per cent.

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

Hong Kong, 11 January 2021

For the purpose of this announcement, translations of Australian dollars into Hong Kong dollars or vice versa have been calculated by using an exchange rate of A\$1.00 equal to HK\$5.9933. 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, Mr. Choi Kin Man and Mr. Ngai Wah Sang.

* *For identification purpose only*