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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  
ACQUISITIONS OF THE ENTIRE ISSUED SHARES IN  
SMART FRONT DEVELOPMENTS LIMITED AND WELFIT (HK) LIMITED  
AND  
ASSIGNMENT OF THE SHAREHOLDER'S LOAN**

**THE ACQUISITIONS AND ASSIGNMENT OF THE SHAREHOLDER'S LOAN**

On 11 June 2024, the Purchaser, a direct wholly-owned subsidiary of the Company and as purchaser, entered into the SPA (Smart Front) with Allied Services, as vendor, pursuant to which (i) the Purchaser shall acquire, and Allied Services shall sell, the Sale Share (Smart Front), representing the entire issued share capital of Smart Front, a company which holds 80% of the issued shares of Welfit; and (ii) the Shareholder's Loan shall be assigned by Allied Services to the Purchaser, at the total consideration of HK\$17,500,000.00.

On the same date, the Purchaser, as purchaser, entered into the SPA (Welfit) with Mr. Chow, as vendor, pursuant to which the Purchaser shall acquire, and Mr. Chow shall sell, the Sale Shares (Welfit), representing 20% of the issued shares of Welfit, at the consideration of HK\$4,375,000.00.

Upon completion of the Acquisitions, each of Smart Front and Welfit has become an indirect wholly-owned subsidiary of the Company.

## **LISTING RULES IMPLICATIONS**

As more than one of the applicable percentage ratios (as defined under the Listing Rules) in respect of the Acquisition (Smart Front) on a standalone basis are more than 5% but all are less than 25%, the Acquisition (Smart Front) 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.

As all of the applicable percentage ratios (as defined under the Listing Rules) in respect of the Acquisition (Welfit) on a standalone basis are less than 5%, the Acquisition (Welfit) does not constitute a discloseable transaction for the Company under Chapter 14 of the Listing Rules.

However, as more than one of the applicable percentage ratios (as defined under the Listing Rules) in respect of the Acquisition (Smart Front), when aggregated with the Acquisition (Welfit) under Rule 14.22 under the Listing Rules, are more than 5% but all are less than 25%, the Acquisitions constitute 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.

## **THE ACQUISITION (SMART FRONT)**

On 11 June 2024, the Purchaser, a direct wholly-owned subsidiary of the Company and as purchaser, entered into the SPA (Smart Front) with Allied Services, as vendor, the principal terms of which are summarised below:

### **Date**

11 June 2024

### **Parties**

- (i) The Purchaser, as purchaser
- (ii) Allied Services, as vendor

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, each of Allied Services and its ultimate beneficial owner(s) is a third party independent of the Company and its connected persons.

### **Subject matter**

Pursuant to the SPA (Smart Front), (i) the Purchaser shall acquire, and Allied Services shall sell, the Sale Share (Smart Front), representing the entire issued share capital of Smart Front, a company which holds 80% of the issued shares of Welfit; and (ii) the Shareholder's Loan shall be assigned by Allied Services to the Purchaser.

As at the date of this announcement, the principal asset of Smart Front is 80% shareholding interest in Welfit.

## **Consideration**

The consideration for the Acquisition (Smart Front) shall be HK\$17,500,000.00, which was determined after arm's length negotiations between the Purchaser and Allied Services taking into account (i) 80% of the unaudited consolidated net asset value of Welfit as at 31 March 2024; and (ii) the track records of financial performance of Welfit and its prospect.

The consideration for the Acquisition (Smart Front) is financed by the internal resources of the Group and has been paid by the Purchaser to Allied Services (or its nominee(s)) at completion.

## **Completion**

Completion of the Acquisition (Smart Front) took place on 11 June 2024, being the date of the SPA (Smart Front).

Upon completion of the Acquisition (Smart Front), Smart Front has become an indirect wholly-owned subsidiary of the Company and its financial results, assets and liabilities will be consolidated into the Group's financial statements.

## **THE ACQUISITION (WELFIT)**

On 11 June 2024, the Purchaser, as purchaser, entered into the SPA (Welfit) with Mr. Chow, as vendor, the principal terms of which are summarised below:

### **Date**

11 June 2024

### **Parties**

- (i) The Purchaser, as purchaser
- (ii) Mr. Chow, as vendor

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, Mr. Chow is a third party independent of the Company and its connected persons.

### **Subject matter**

Pursuant to the SPA (Welfit), the Purchaser shall acquire, and Mr. Chow shall sell, the Sale Shares (Welfit), representing 20% of the issued shares of Welfit.

## Consideration

The consideration for the Acquisition (Welfit) shall be HK\$4,375,000.00, which was determined after arm's length negotiations between the Purchaser and Mr. Chow taking into account (i) 20% of the unaudited consolidated net asset value of Welfit as at 31 March 2024; and (ii) the track records of financial performance of Welfit and its prospect.

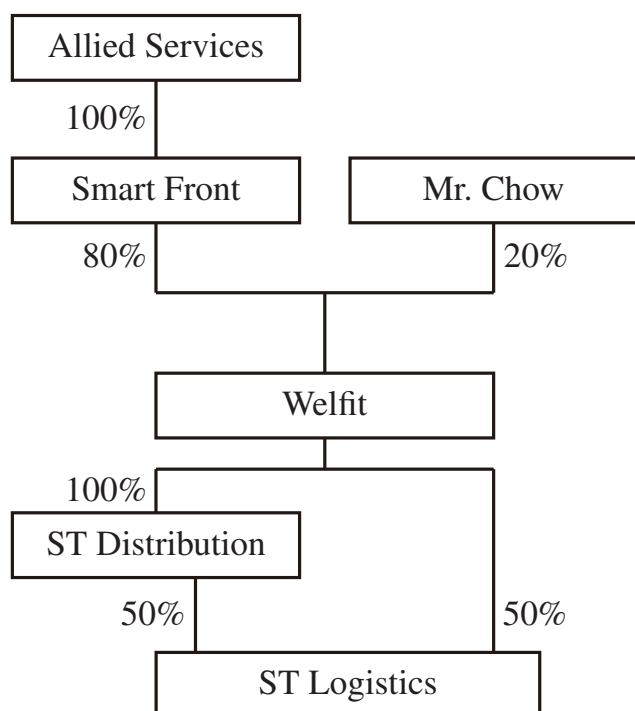
The consideration for the Acquisition (Welfit) is financed by the internal resources of the Group and has been paid by the Purchaser to Mr. Chow (or his nominee(s)) at completion.

## Completion

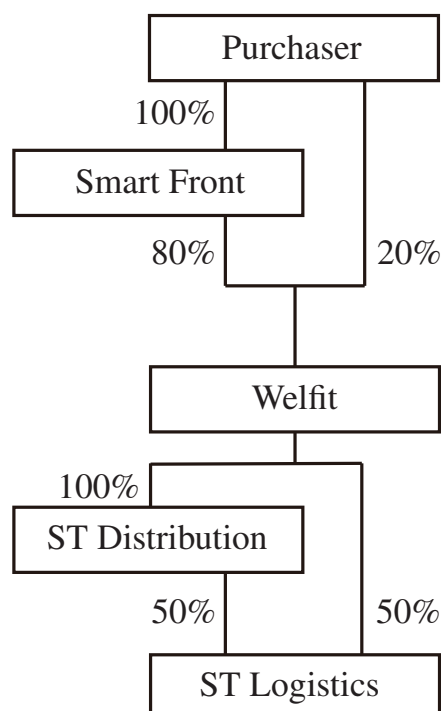
Completion of the Acquisition (Welfit) took place on 11 June 2024, being the date of the SPA (Welfit).

Immediately prior to the Acquisitions, Welfit is held as to 80% by Smart Front and 20% by Mr. Chow. Upon completion of the Acquisitions, Welfit has become an indirect wholly-owned subsidiary of the Company via the Purchaser as illustrated below, and its financial results, assets and liabilities will be consolidated into the Group's financial statements.

### Immediately prior to the Acquisitions



### Upon completion of the Acquisitions



## **INFORMATION ON THE COMPANY, THE PURCHASER, ALLIED SERVICES, MR. CHOW, SMART FRONT AND WELFIT**

### **The Company**

The Company is an investment holding company incorporated in Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 948). The Group is principally engaged in (i) the trading of milk powder and baby foods; (ii) the provision of warehouse logistics service (the “**Logistics Business**”); and (iii) property investment.

### **The Purchaser**

The Purchaser is a company incorporated in BVI with limited liability and a direct wholly-owned subsidiary of the Company.

The principal business activity of the Purchaser is investment holding.

### **Allied Services**

Allied Services is a company incorporated in BVI with limited liability. To the best of the Directors’ knowledge, information and belief, having made all reasonable enquiries, Allied Services is a wholly-owned subsidiary of Allied Group Limited, which is a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 373).

The principal business activity of Allied Services is investment holding.

### **Mr. Chow**

Mr. Chow is an individual and a merchant.

### **Smart Front**

Smart Front is a company incorporated in BVI with limited liability and a direct wholly-owned subsidiary of Allied Services immediately prior to the Acquisition (Smart Front). It is an investment holding company holding 80% of the issued shares of Welfit.

Set out below is the financial information of Smart Front for the two years ended 31 December 2023 as extracted from its unaudited consolidated management accounts:

	<b>For the year ended 31 December 2022</b>	<b>For the year ended 31 December 2023</b>
	<i>HK\$'000</i>	<i>HK\$'000</i>
	<i>(unaudited)</i>	<i>(unaudited)</i>
Net profit before tax	1,519	5,227
Net profit after tax	1,272	4,375

As at 31 March 2024, Smart Front had net assets attributable to its owners of approximately HK\$21,916,000.00 (excluding the Shareholder's Loan) according to the unaudited consolidated management accounts of Smart Front.

### **Welfit**

Welfit is a company incorporated in Hong Kong with limited liability and owned as to 80% by Smart Front and 20% by Mr. Chow immediately prior to the Acquisitions. Welfit is an investment holding company. ST Distribution, which is a company incorporated in Hong Kong with limited liability and a direct wholly-owned subsidiary of Welfit, is principally engaged in the business of bonded warehouse storage, general warehouse storage, devanning and freight forwarder services. ST Logistics, which is a company incorporated in Hong Kong with limited liability and owned as to 50% by Welfit and 50% by ST Distribution, is inactive as at the date of this announcement.

Set out below is the financial information of Welfit for the two years ended 31 December 2023 as extracted from its unaudited consolidated management accounts:

	<b>For the year ended 31 December 2022</b>	<b>For the year ended 31 December 2023</b>
	<i>HK\$'000</i>	<i>HK\$'000</i>
	<i>(unaudited)</i>	<i>(unaudited)</i>
Net profit before tax	5,389	5,393
Net profit after tax	4,562	4,541

As at 31 March 2024, Welfit had net assets attributable to its owners of approximately HK\$25,141,000.00 according to the unaudited consolidated management accounts of Welfit.

## **REASONS FOR AND BENEFITS OF THE ACQUISITIONS**

To diversify its business as well as introducing new revenue stream, the Group commenced the Logistics Business in March 2023, and has been looking for opportunities to further expand this business segment. Having considered (i) the solidification of the Logistics Business through the Acquisitions; and (ii) the consideration of the Acquisitions which has taken reference from the net asset value of Welfit, the Directors (including the independent non-executive Directors) are of the view that the consideration of the Acquisitions are fair and reasonable, and the Acquisitions are an opportunity for the Group to expand its Logistics Business, which is expected to bring additional revenue to the Group in future.

In view of the above, the Directors (including the independent non-executive Directors) consider that the terms of each of the SPA (Smart Front) and the SPA (Welfit) are fair and reasonable, and the Acquisitions are in the interests of the Company and its shareholders as a whole.

## **LISTING RULES IMPLICATIONS**

As more than one of the applicable percentage ratios (as defined under the Listing Rules) in respect of the Acquisition (Smart Front) on a standalone basis are more than 5% but all are less than 25%, the Acquisition (Smart Front) 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.

As all of the applicable percentage ratios (as defined under the Listing Rules) in respect of the Acquisition (Welfit) on a standalone basis are less than 5%, the Acquisition (Welfit) does not constitute a discloseable transaction for the Company under Chapter 14 of the Listing Rules.

However, as more than one of the applicable percentage ratios (as defined under the Listing Rules) in respect of the Acquisition (Smart Front), when aggregated with the Acquisition (Welfit) under Rule 14.22 under the Listing Rules, are more than 5% but all are less than 25%, the Acquisitions constitute 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.

## **DEFINITIONS**

Unless the context otherwise requires, the following expressions used in this announcement shall have the following meanings:

“Acquisition (Smart Front)”	the acquisition of the Sale Share (Smart Front) and the assignment of the Shareholder’s Loan pursuant to the SPA (Smart Front);
“Acquisition (Welfit)”	the acquisition of the Sale Shares (Welfit) pursuant to the SPA (Welfit);
“Acquisitions”	the Acquisition (Smart Front) and the Acquisition (Welfit);
“Allied Services”	Allied Services Holding Limited, a company incorporated in BVI with limited liability, and the vendor under the SPA (Smart Front);

“Board”	the board of Directors;
“BVI”	the British Virgin Islands;
“Company”	Alpha Professional Holdings Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 948);
“connected persons”	has the meaning ascribed to it under the Listing Rules;
“Director(s)”	the director(s) of the Company;
“Group”	the Company and its subsidiaries;
“HK\$”	Hong Kong Dollar(s), 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;
“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 GEM of the Stock Exchange;
“Mr. Chow”	Mr. Chow Pok Yu Augustine, the vendor under the SPA (Welfit);
“Purchaser”	Vantage Edge Investments Limited, a company incorporated in BVI with limited liability and a direct wholly-owned subsidiary of the Company, being the purchaser under each of the SPA (Smart Front) and the SPA (Welfit);
“Sale Share (Smart Front)”	one ordinary share of Smart Front held by Allied Services immediately prior to the Acquisition (Smart Front), representing the entire issued share capital of Smart Front as at the date of the SPA (Smart Front) and as at completion;
“Sale Shares (Welfit)”	700,000 ordinary shares of Welfit held by Mr. Chow immediately prior to the Acquisition (Welfit), representing 20% of the issued shares of Welfit as at the date of the SPA (Welfit) and as at completion;
“Shareholder’s Loan”	the shareholder’s loan in the principal amount of approximately HK\$17,278,000.00 due to Allied Services by Smart Front immediately prior to the Acquisition (Smart Front);



“Smart Front”	Smart Front Developments Limited, a company incorporated in BVI with limited liability and a direct wholly-owned subsidiary of Allied Services immediately prior to the Acquisition (Smart Front);
“SPA (Smart Front)”	the sale and purchase agreement dated 11 June 2024 entered into between the Purchaser and Allied Services in relation to the Acquisition (Smart Front);
“SPA (Welfit)”	the sale and purchase agreement dated 11 June 2024 entered into between the Purchaser and Mr. Chow in relation to the Acquisition (Welfit);
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“ST Distribution”	San Tai Distribution Company Limited, a company incorporated in Hong Kong with limited liability and a direct wholly-owned subsidiary of Welfit;
“ST Logistics”	San Tai Logistics Company Limited, a company incorporated in Hong Kong with limited liability and owned as to 50% by ST Distribution and 50% by Welfit;
“Welfit”	Welfit (HK) Limited, a company incorporated in Hong Kong with limited liability and owned as to 80% by Smart Front and 20% by Mr. Chow immediately prior to the Acquisitions; and
“%”	per cent.

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

Hong Kong, 11 June 2024

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

\* *For identification purpose only*