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Ms. Yan Ping



合寶豐年
ALPHA ERA

Alpha Era International Holdings Limited
合寶豐年控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8406)

JOINT ANNOUNCEMENT

(1) THE SALE AND PURCHASE AGREEMENT;

**(2) MANDATORY UNCONDITIONAL CASH OFFER BY
GRAND CHINA SECURITIES LIMITED FOR AND ON BEHALF OF
MS. YAN PING TO ACQUIRE ALL THE ISSUED SHARES OF
ALPHA ERA INTERNATIONAL HOLDINGS LIMITED (OTHER THAN THOSE ALREADY
OWNED AND/OR AGREED TO BE ACQUIRED BY MS. YAN PING AND PARTIES ACTING
IN CONCERT WITH HER);**

(3) APPOINTMENT OF INDEPENDENT FINANCIAL ADVISER;

AND

(4) RESUMPTION OF TRADING

Financial adviser to the Offeror



GLOBAL MASTERMIND SECURITIES LIMITED
環球大通證券有限公司

**Independent Financial Adviser to the Independent Board Committee and the
Independent Shareholders**



THE SALE AND PURCHASE AGREEMENT

The Company was informed by the Vendors that on 2 September 2021 (after trading hours), the Offeror, the Vendors and the Guarantors entered into the Sale and Purchase Agreement, pursuant to which the Offeror agreed to acquire 427,756,000 Shares from Vendor A and 172,244,000 Shares from Vendor B, representing a total of 600,000,000 Shares (equivalent to 75.0% of the total issued share capital of the Company as at the date of this joint announcement) for the aggregate Consideration of HK\$72,000,000, equivalent to HK\$0.12 per Sale Share.

Completion took place immediately after the signing of the Sale and Purchase Agreement on 2 September 2021. Immediately following Completion, each of the Vendors ceased to have any interest in the Shares.

MANDATORY UNCONDITIONAL CASH OFFER

Immediately before Completion, none of the Offeror and the parties acting in concert with her is interested in any Shares. Upon Completion and as at the date of this joint announcement, the Offeror is interested in 600,000,000 Shares, representing 75.0% of the total issued share capital of the Company. Pursuant to Rule 26.1 of the Takeovers Code, the Offeror is required to make a mandatory offer for the Offer Shares, being all the issued Shares other than those already owned and/or agreed to be acquired by the Offeror and parties acting in concert with her.

As at the date of this joint announcement, the Company has 800,000,000 Shares in issue. The Company does not have any outstanding options, derivatives, warrants or securities which are convertible or exchangeable into the Shares and has not entered into any agreement for the issue of such options, derivatives, warrants or securities which are convertible or exchangeable into the Shares.

Grand China, on behalf of the Offeror and in compliance with the Takeovers Code, will make the Offer to acquire all the Offer Shares on terms to be set out in the Composite Document to be issued in accordance with the Takeovers Code on the following basis:

The Offer

For each Offer Share HK\$0.12 in cash

The Offer Price of HK\$0.12 per Offer Share is equal to the purchase price per Sale Share payable by the Offeror pursuant to the Sale and Purchase Agreement.

The Offer will be extended to all Shareholders other than the Offeror and parties acting in concert with her in accordance with the Takeovers Code. The Offer Shares to be acquired under the Offer will be fully paid and free from all encumbrances together with all rights attached thereto, including but not limited to all rights to any dividend or other distribution declared, made or paid on or after the date on which the Offer is made, being the date of despatch of the Composite Document.

The Offer is unconditional in all respects when it is made and will not be conditional upon acceptances being received in respect of a minimum number of Shares.

Total value of the Offer

As at the date of this joint announcement, the total number of issued shares of the Company is 800,000,000 Shares. Hence, assuming the Offer is accepted in full and on the basis that there is no change in the issued share capital of the Company up to the close of the Offer, a total of 200,000,000 issued Shares (representing 25.0% of the total issued share capital of the Company as at the date of this joint announcement which is the Shares not already owned and/or agreed to be acquired by the Offeror and parties acting in concert with her) will be subject to the Offer and the maximum cash consideration payable by the Offeror under the Offer would be HK\$24,000,000 based on the Offer Price of HK\$0.12 per Offer Share.

Financial resources available to the Offeror

The Offeror intends to finance and satisfy the consideration payable under the Offer by internal resources and a loan facility under the Facility Agreement.

Global Mastermind, the financial adviser to the Offeror, is satisfied that sufficient financial resources are, and will remain, available to the Offeror to satisfy the consideration payable by the Offeror upon full acceptance of the Offer.

GENERAL

Independent Board Committee and Independent Financial Adviser

As at the date of this joint announcement, the Independent Board Committee, comprising the non-executive Directors who have no direct or indirect interest in the Offer (being Mr. Mao Guohua, Mr. Liu Zexing and Mr. Ho Hin Chung), has been established in accordance with Rule 2.1 of the Takeovers Code to advise and give recommendation to the Independent Shareholders as to whether the terms of the Offer are fair and reasonable and as to the acceptance of the Offer. Given that Mr. Lee, the non-executive Director, who is Guarantor B to the Sale and Purchase Agreement and wholly owns Vendor B, is considered to have a conflict of interest, he is not independent to become a member of the Independent Board Committee.

As at the date of this joint announcement, INCU has been appointed as the Independent Financial Adviser in accordance with the requirements of Rule 2.1 of the Takeovers Code to advise the Independent Board Committee in respect of the Offer, as to whether the Offer is fair and reasonable, and as to the acceptance of the Offer. The appointment of the Independent Financial Adviser has been approved by the Independent Board Committee pursuant to Rule 2.1 of the Takeovers Code. The letter of advice from the Independent Financial Adviser as to whether the Offer is fair and reasonable, and as to the acceptance of the Offer, will be set out in the Composite Document.

Despatch of the Composite Document

It is the intention of the Offeror and the Company to combine the offer document and the offeree board circular into the Composite Document. Pursuant to Rule 8.2 of the Takeovers Code, a composite document containing, among other things, (i) further details on the terms of the Offer; (ii) the recommendation from the Independent Board Committee in respect of the Offer; (iii) the letter from the Independent Financial Adviser in respect of the Offer, together with the acceptance and transfer form, will be despatched to the Shareholders within 21 days from the date of this joint announcement or such later date as the Executive may approve. Further announcement(s) will be made when the Composite Document is despatched.

RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange was suspended with effect from 9:00 a.m. on 3 September 2021 pending the release of this joint announcement. Application has been made by the Company to the Stock Exchange for resumption of trading in the Shares on the Stock Exchange with effect from 9:00 a.m. on 13 September 2021.

WARNING

Shareholders and potential investors should exercise caution when dealing in the securities of the Company. If the Shareholders and potential investors are in any doubt about their position, they should consult their professional advisers.

INTRODUCTION

The Company was informed by the Vendors that on 2 September 2021 (after trading hours), the Offeror, the Vendors and the Guarantors entered into the Sale and Purchase Agreement, pursuant to which the Offeror agreed to acquire 427,756,000 Shares from Vendor A and 172,244,000 Shares from Vendor B, representing a total of 600,000,000 Shares (equivalent to 75.0% of the total issued share capital of the Company as at the date of this joint announcement) for the aggregate Consideration of HK\$72,000,000, equivalent to HK\$0.12 per Sale Share.

THE SALE AND PURCHASE AGREEMENT

Set out below are the principal terms of the Sale and Purchase Agreement:

Date

2 September 2021

Parties

- (i) the Offeror;
- (ii) Vendor A;
- (iii) Vendor B;
- (iv) Guarantor A; and
- (v) Guarantor B

Subject matter

Pursuant to the Sale and Purchase Agreement, the Offeror agreed to acquire 427,756,000 Shares from Vendor A and 172,244,000 Shares from Vendor B, representing a total of 600,000,000 Shares (equivalent to 75.0% of the total issued share capital of the Company as at the date of this joint announcement) free from all encumbrances and together with all rights attached and accrued to them at the date of Completion including all rights to any dividend or other distribution declared made or paid on or after Completion. Furthermore, there was no dividend declared but unpaid on the date of the Completion.

Consideration

The Consideration is HK\$72,000,000, which is equivalent to HK\$0.12 per Sale Share, and has been agreed between the Offeror and the Vendors after arm's length negotiations and having taken into account of, among others, the Company's historical share prices performance, liquidity of the Shares and financial performance of the Group.

The Consideration has been fully paid by the Offeror as to HK\$51,330,720 to Vendor A and as to HK\$20,669,280 to Vendor B respectively upon Completion.

Completion

Completion took place immediately after the signing of the Sale and Purchase Agreement on 2 September 2021. Immediately following Completion, each of the Vendors ceased to have any interest in the Shares.

Guarantee

Pursuant to the Sale and Purchase Agreement, each of the Vendors and the Guarantors agreed to give certain customary warranties in favour of the Offeror. The warranties given by the Vendors and the Guarantors relate mostly to the Sale Shares and the condition and business of the Company and/or the Group, including but not limited to share status, legal compliance, corporate status, accounts, financial matters, business and operations, insurance, assets and liabilities, contractual commitments, employees, litigation, taxation and other matters in relation to the Company and/or the Group.

Each of the Guarantors irrevocably and unconditionally:

- (a) guarantees to the Offeror the truth and accuracy of the warranties under the Sale and Purchase Agreement as at the date of Completion; and
- (b) agrees to indemnify the Offeror against all losses, damages, costs, liabilities and expenses of whatsoever nature which the Offeror may suffer through or arising from any breach of any warranties under the Sale and Purchase Agreement for a period of three years commencing from the date of Completion.

MANDATORY UNCONDITIONAL CASH OFFER

Immediately before Completion, none of the Offeror and the parties acting in concert with her is interested in any Shares. Upon Completion and as at the date of this joint announcement, the Offeror is interested in 600,000,000 Shares, representing 75.0% of the total issued share capital of the Company. Pursuant to Rule 26.1 of the Takeovers Code, the Offeror is required to make a mandatory offer for the Offer Shares, being all the issued Shares other than those already owned and/or agreed to be acquired by the Offeror and parties acting in concert with her.

As at the date of this joint announcement, the Company has 800,000,000 Shares in issue. The Company does not have any outstanding options, derivatives, warrants or securities which are convertible or exchangeable into the Shares and has not entered into any agreement for the issue of such options, derivatives, warrants or securities which are convertible or exchangeable into the Shares.

Grand China, on behalf of the Offeror and in compliance with the Takeovers Code, will make the Offer to acquire all the Offer Shares on terms to be set out in the Composite Document to be issued in accordance with the Takeovers Code on the following basis:

The Offer

For each Offer Share HK\$0.12 in cash

The Offer Price of HK\$0.12 is equal to the purchase price per Sale Share payable by the Offeror pursuant to the Sale and Purchase Agreement.

The Offer will be extended to all Shareholders other than the Offeror and parties acting in concert with her in accordance with the Takeovers Code. The Offer Shares to be acquired under the Offer will be fully paid and free from all encumbrances together with all rights attached thereto, including but not limited to all rights to any dividend or other distribution declared, made or paid on or after the date on which the Offer is made, being the date of despatch of the Composite Document.

As at the date of this joint announcement, the Company has not declared any dividend which remains unpaid, and the Company has no intention to declare, make or pay any dividend or other distributions prior to the close of the Offer.

The Offer is unconditional in all respects when it is made and will not be conditional upon acceptances being received in respect of a minimum number of Shares.

The Offer Price

The Offer Price of HK\$0.12 is equal to the purchase price per Sale Share payable by the Offeror under the Sale and Purchase Agreement and represents:

- (i) a discount of approximately 31.43% to the closing price of HK\$0.175 per Share as quoted on the Stock Exchange on 2 September 2021, being the Last Trading Day;
- (ii) a discount of approximately 31.43% to the average closing price of HK\$0.175 per Share based on the daily closing prices as quoted on the Stock Exchange for the five consecutive trading days immediately prior to and including the Last Trading Day;
- (iii) a discount of approximately 32.58% to the average closing price of approximately HK\$0.178 per Share based on the daily closing prices as quoted on the Stock Exchange for the 10 consecutive trading days immediately prior to and including the Last Trading Day;
- (iv) a discount of approximately 33.70% to the average closing price of approximately HK\$0.181 per Share based on the daily closing prices as quoted on the Stock Exchange for the 30 consecutive trading days immediately prior to and including the Last Trading Day;
- (v) a discount of approximately 34.43% to the audited consolidated net asset value attributable to the Shareholders of approximately HK\$0.183 per Share as at 31 December 2020, calculated by dividing the Group's audited consolidated net assets attributable to the Shareholders of approximately RMB121,906,000 (equivalent to approximately HK\$146,287,200) as at 31 December 2020 by 800,000,000 Shares in issue as at the date of this joint announcement; and
- (vi) a discount of approximately 39.09% to the unaudited consolidated net asset value attributable to the Shareholders of approximately HK\$0.197 per Share as at 30 June 2021, calculated by dividing the Group's unaudited consolidated net assets attributable to the Shareholders of approximately RMB131,009,000 (equivalent to approximately HK\$157,210,800) as at 30 June 2021 by 800,000,000 Shares in issue as at the date of this joint announcement.

Highest and lowest Share prices

The highest and lowest closing prices of the Shares as quoted on the Stock Exchange during the six-month period immediately prior to and including the Last Trading Day (i.e. from 3 March 2021 to 2 September 2021) were HK\$0.26 per Share on 3 March 2021 and HK\$0.14 per Share on 23 April 2021 respectively.

Total value of the Offer

As at the date of this joint announcement, the total number of issued shares of the Company is 800,000,000 Shares. Hence, assuming the Offer is accepted in full and on the basis that there is no change in the issued share capital of the Company up to the close of the Offer, a total of 200,000,000 issued Shares (representing 25.0% of the total issued share capital of the Company as at the date of this joint announcement which is the Shares not already owned and/or agreed to be acquired by the Offeror and parties acting in concert with her) will be subject to the Offer and the maximum cash consideration payable by the Offeror under the Offer would be HK\$24,000,000 based on the Offer Price of HK\$0.12 per Offer Share.

Financial resources available to the Offeror

The Offeror intends to finance and satisfy the consideration payable under the Offer by internal resources and a loan facility under the Facility Agreement which is secured by, among other things, charges over the Sale Shares and all the Shares to be acquired by the Offeror under the Offer or otherwise.

Global Mastermind, being the financial adviser to the Offeror, is satisfied that sufficient financial resources are, and will remain, available to the Offeror to satisfy the consideration payable by the Offeror upon full acceptance of the Offer.

Effects of accepting the Offer

By accepting the Offer, the Independent Shareholders shall sell their Shares free from all encumbrances together with all rights attached thereto, including but not limited to all rights to any dividend or other distribution declared, made or paid on or after the date on which the Offer is made. Acceptance of the Offer by any Independent Shareholders will be deemed to constitute a warranty by such person that all the Shares to be sold by such person under the Offer are fully paid and free from all encumbrances together with all rights attached thereto, including but not limited to all rights to any dividend or other distribution declared, made or paid on or after the date on which the Offer is made, that is, the date of posting of the Composite Document.

The Offer is unconditional in all respects. Acceptance of the Offer by any Independent Shareholders will be irrevocable and not capable of being withdrawn, except as permitted under the Takeovers Code.

Hong Kong stamp duty

Seller's ad valorem stamp duty on acceptances of the Offer will be payable by the relevant Independent Shareholders at a rate of 0.13% of (i) the market value of the Offer Shares; or (ii) the consideration payable in respect of the relevant acceptances of the Offer by the Offeror, whichever is higher, will be deducted from the cash amount payable by the Offeror to such Independent Shareholder on acceptance of the Offer (where the amount of stamp duty is a fraction of a dollar, the stamp duty will be rounded up to the nearest dollar).

The Offeror will arrange for payment of the seller's ad valorem stamp duty on behalf of the relevant Independent Shareholders who accept the Offer and pay the buyer's ad valorem stamp duty in connection with the acceptances of the Offer and the transfers of the Offer Shares in accordance with the Stamp Duty Ordinance (Chapter 117 of the Laws of Hong Kong).

Payment

Payment in cash in respect of the acceptances of the Offer will be made as soon as possible but in any event within seven (7) business days (as defined in the Takeovers Code) of the date on which the duly completed acceptances of the Offer are received. Relevant documents evidencing title in respect of such acceptances must be received by the Offeror (or its agent) to render such acceptance of the Offer complete and valid in accordance with Note 1 to Rule 30.2 of the Takeovers Code.

Availability of the Offer

The Offeror intends to make the Offer available to all the Independent Shareholders, including those with registered addresses in a jurisdiction outside Hong Kong. The availability of the Offer to persons with a registered address in a jurisdiction outside Hong Kong may be affected by the laws of the relevant overseas jurisdictions. The making of the Offer to persons with registered addresses in jurisdictions outside Hong Kong may be prohibited or limited by the laws or regulations of the relevant jurisdictions. Such Independent Shareholders who are citizens, residents or nationals of a jurisdiction outside Hong Kong should observe any applicable legal or regulatory requirements and, where necessary, seek legal advice. Persons who are residents, citizens or nationals outside Hong Kong should inform themselves about and observe, at their own responsibility, any applicable laws, regulations, requirements and restrictions in their own jurisdictions in connection with the acceptance of the Offer, including the obtaining of any governmental, exchange control or other consents which may be required, or the compliance with the other necessary formalities and the payment of any issue, transfer or other fares from the accepting Independent Shareholder(s) due in such jurisdiction.

Any acceptance by the Independent Shareholders with a registered address in a jurisdiction outside Hong Kong will be deemed to constitute a representation and warranty from such overseas Independent Shareholders to the Offeror that the local laws and requirements have been complied with and such acceptance shall be valid and binding in accordance with all applicable laws. Such overseas Independent Shareholders should consult their respective professional advisers if in doubt.

Taxation advice

Independent Shareholders are recommended to consult their own professional advisers if they are in any doubt as to the taxation implications of accepting or rejecting the Offer. None of the Offeror and/or its parties acting in concert with her, the Company, the financial adviser to the Offeror, and (as the case may be) their respective ultimate beneficial owners, directors, officers, agents, advisers or associates or any other person involved in the Offer accepts responsibility for any taxation effects on, or liabilities of, any persons as a result of their acceptance or rejection of the Offer.

DEALING AND INTERESTS IN THE SECURITIES OF THE COMPANY

The Offeror confirms that, as at the date of this joint announcement:

- (i) save for the Sale Shares, the Offeror and/or parties acting in concert with her does not own or has control or direction over any voting rights or rights over the Shares or convertible securities, options, warrants or derivatives of the Company;
- (ii) the Offeror and/or parties acting in concert with her has not received any irrevocable commitment to accept or reject the Offer;
- (iii) there is no agreement or arrangement in relation to outstanding derivative in respect of securities in the Company which has been entered into by the Offeror and/or any person acting in concert with her;
- (iv) there are no conditions to which the Offer is subject;
- (v) save for Sale and Purchase Agreement and the Facility Agreement, there is no arrangement (whether by way of option, indemnity or otherwise) in relation to the Shares which may be material to the Offer (as referred to in Note 8 to Rule 22 of the Takeovers Code);
- (vi) save for the Sale and Purchase Agreement, there is no agreement or arrangement to which the Offeror and/or parties acting in concert with her is a party which relates to circumstances in which they may or may not invoke or seek to invoke a pre-condition or a condition to the Offer;
- (vii) there are no relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company which the Offeror and/or any parties acting in concert with her has borrowed or lent;
- (viii) there is no consideration, compensation or benefit in whatever form paid or to be paid by the Offeror or any parties acting in concert with her to the Vendors, their respective ultimate beneficial owners and/or any parties acting in concert with any of them in connection with the sale and purchase of the Sale Shares, save for the Consideration under the Sale and Purchase Agreement;

- (ix) there is no understanding, arrangement, agreement or special deal (as defined under Rule 25 of the Takeovers Code) between the Offeror and/or parties acting in concert with her on one hand, and the Vendors, their respective ultimate beneficial owners and parties acting in concert with any of them on the other hand;
- (x) there is no understanding, arrangement, agreement or special deal (as defined under Rule 25 of the Takeovers Code) between (a) any Shareholder, (b) the Offeror and any parties acting in concert with her, or (c) the Company, its subsidiaries or associated companies; and
- (xi) save for the Sale Shares, none of the Offeror and/or any parties acting in concert with her had dealt for value in any Shares, convertible securities, warrants or options of the Company or any derivatives in respect of such securities during the six months prior to the date of this joint announcement.

SHAREHOLDING STRUCTURE OF THE COMPANY

The following table sets out the shareholding structure of the Company (i) immediately before Completion; and (ii) immediately after Completion and as at the date of this joint announcement.

	Immediately before Completion		Immediately after Completion and as at the date of this joint announcement	
	<i>Number of Shares</i>	<i>Approximate percentage (%)</i>	<i>Number of Shares</i>	<i>Approximate percentage (%)</i>
The Offeror and parties acting in concert with her	–	–	600,000,000	75.00
Vendor A	427,756,000	53.47	–	–
Vendor B	172,244,000	21.53	–	–
Independent Shareholders	200,000,000	25.00	200,000,000	25.00
Total	800,000,000	100.00	800,000,000	100.00

INFORMATION ON THE GROUP

The Company was incorporated in the Cayman Islands with limited liability. The Shares are listed on GEM. The Company is an investment holding company and the Group is principally engaged in the manufacturing and sales of inflatable products in the PRC with a focus on producing inflatable playgrounds with air blowers. In addition to inflatable playgrounds with air blowers, the Company also produces other inflatable products and inflatable products related accessories.

Set out below is a summary of the financial information of the Group for each of the two financial years ended 31 December 2019 and 2020 as extracted from the annual report of the Company for the year ended 31 December 2020 and for the six months ended 30 June 2021 as extracted from the interim report of the Company for the six months ended 30 June 2021:

	For the six months ended 30 June 2021 (RMB'000) (Unaudited)	For the year ended 31 December 2020 (RMB'000) (Audited)	2019 (RMB'000) (Audited)
Revenue	147,016	260,735	223,831
Profit before taxation	12,632	28,554	24,078
Profit for the year/period	9,418	23,557	18,882

The unaudited consolidated net assets of the Group as at 30 June 2021 was approximately RMB131,009,000.

INFORMATION ON THE OFFEROR

Ms. Yan Ping, aged 48, has been, since June 2021, the senior management and the sole shareholder of a private company which is principally engaged in business related to oral health. Ms. Yan has experience in management of private companies of different business sectors, including beauty and fitness, wholesale and retail of cosmetics, retail of traditional Chinese medicines and health products and high-end medical equipment agency business. The Offeror decided to invest in the Company is to widen her investment apart from the oral health business as stated above.

INTENTION OF THE OFFEROR IN RELATION TO THE GROUP

The Offeror intends to continue the employment of the existing management and employees of the Group (except for a proposed change to the members of the Board at such time permitted under the GEM Listing Rules and the Takeovers Code). The Offeror intends to continue the existing business of the Company. The Offeror will, following the closing of the Offer, conduct a detailed review of the operations of the existing business, financial performance and financial position for the purpose of formulating business plans and strategies for the future business development of the Group. As of the date of this joint announcement, the Offeror (i) has no intention to dispose of or re-deploy the assets of the Group other than those in its ordinary course of business; and (ii) has not identified any investment or business opportunity or has not entered into any agreement, arrangement, understandings or negotiation in relation to the injection of any assets or business into the Group. However, the Offeror reserves the right to make any changes that it deems necessary or appropriate to the Group's businesses and operations to optimise the value of the Group.

Proposed change to the composition of the Board

As at the date of this joint announcement, the Board comprises two executive Directors, one non-executive Director and three independent non-executive Directors.

The Offeror intends to nominate new directors to the Board with effect from a date which is no earlier than such date as permitted under Rule 26.4 of the Takeovers Code (such date being the date of despatch of the Composite Document).

As at the date of this joint announcement, the Offeror has not reached any final decision as to who will be nominated as new Director(s) and which Director(s) will resign. Any changes to the members of the Board will be made in compliance with the Takeovers Codes and the GEM Listing Rules and further announcement(s) will be made as and when appropriate.

Public float and maintaining the listing status of the Company

The Stock Exchange has stated that if, at the closing of the Offer, less than the minimum prescribed percentage applicable to the Company, being 25% of the issued share capital of the Company, are held by the public or if the Stock Exchange believes that:

- (i) a false market exists or may exist in the trading of the Shares; or
- (ii) there are insufficient Shares in public hands to maintain an orderly market,

the Stock Exchange will consider exercising its discretion to suspend dealing in the Shares. Therefore, it should be noted that upon closing of the Offer, there may be insufficient public float of the Shares and the trading in the Shares may be suspended until sufficient public float exists for the Shares. The Offeror intends the Company to remain listed on the Stock Exchange. The Offeror, the Directors and the new directors to be appointed to the Board will jointly and severally undertake to the Stock Exchange to take appropriate steps to ensure that sufficient public float exists in the Shares after the close of the Offer.

GENERAL

Independent Board Committee and Independent Financial Adviser

As at the date of this joint announcement, the Independent Board Committee, comprising the non-executive Directors who have no direct or indirect interest in the Offer (including Mr. Mao Guohua, Mr. Liu Zexing and Mr. Ho Hin Chung), has been established in accordance with Rule 2.1 of the Takeovers Code to advise and give a recommendation to the Independent Shareholders as to whether the terms of the Offer are fair and reasonable and as to the acceptance of the Offer. Given that Mr. Lee, the non-executive Director, who is Guarantor B to the Sale and Purchase Agreement and wholly owns Vendor B, is considered to have conflict of interest, he not independent to become a member of the Independent Board Committee.

As at the date of this joint announcement, INCU has been appointed as the Independent Financial Adviser in accordance with the requirements of Rule 2.1 of the Takeovers Code to advise the Independent Board Committee in respect of the Offer, as to whether the Offer is fair and reasonable, and as to the acceptance of the Offer. The appointment of the Independent Financial Adviser has been approved by the Independent Board Committee pursuant to Rule 2.1 of the Takeovers Code. The letter of advice from the Independent Financial Adviser as to whether the Offer is fair and reasonable, and as to the acceptance of the Offer, will be set out in the Composite Document.

Despatch of the Composite Document

It is the intention of the Offeror and the Company to combine the offer document and the offeree board circular into the Composite Document. Pursuant to Rule 8.2 of the Takeovers Code, a composite document containing, among other things, (i) further details on the terms of the Offer; (ii) the recommendation from the Independent Board Committee in respect of the Offer; (iii) the letter from the Independent Financial Adviser in respect of the Offer, together with the acceptance and transfer form, will be despatched to the Shareholders within 21 days from the date of this joint announcement or such later date as the Executive may approve. Further announcement(s) will be made when the Composite Document is despatched.

Dealings disclosure

For the purposes of the Takeovers Code, the Offer Period has commenced on the date of this joint announcement.

In accordance with Rule 3.8 of the Takeovers Code, associates of the Company and the Offeror (including but not limited to a person who owns or controls 5% or more of any class of relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company) are hereby reminded to disclose their dealings in the relevant securities of the Company pursuant to the requirements of the Takeovers Code.

The full text of Note 11 to Rule 22 of the Takeovers Code is reproduced below pursuant to Rule 3.8 of the Takeovers Code:

“Responsibilities of stockbrokers, banks and other intermediaries

Stockbrokers, banks and others who deal in relevant securities on behalf of clients have a general duty to ensure, so far as they are able, that those clients are aware of the disclosure obligations attaching to associates of an offeror or the offeree company and other persons under Rule 22 and that those clients are willing to comply with them. Principal traders and dealers who deal directly with investors should, in appropriate cases, likewise draw attention to the relevant Rules. However, this does not apply when the total value of dealings (excluding stamp duty and commission) in any relevant security undertaken for a client during any 7 day period is less than \$1 million.

This dispensation does not alter the obligation of principals, associates and other persons themselves to initiate disclosure of their own dealings, whatever total value is involved.

Intermediaries are expected to co-operate with the Executive in its dealings enquiries. Therefore, those who deal in relevant securities should appreciate that stockbrokers and other intermediaries will supply the Executive with relevant information as to those dealings, including identities of clients, as part of that co-operation.”

RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange was suspended with effect from 9:00 a.m. on 3 September 2021 pending the release of this joint announcement. Application has been made by the Company to the Stock Exchange for resumption of trading in the Shares on the Stock Exchange with effect from 9:00 a.m. on 13 September 2021.

WARNING

Shareholders and potential investors should exercise caution when dealing in the securities of the Company. If the Shareholders and potential investors are in any doubt about their position, they should consult their professional advisers.

DEFINITIONS

In this joint announcement, the following expressions shall, unless the context requires otherwise, have the following meanings:

“Board”	the board of Directors
“Company”	Alpha Era International Holdings Limited (stock code: 8406), an exempted company incorporated in the Cayman Islands with limited liability and the Shares of which are listed on the GEM of the Stock Exchange
“Completion”	completion of the sale and purchase of the Sale Shares in accordance with the terms and conditions of the Sale and Purchase Agreement
“Composite Document”	the composite offer and response document to be jointly issued by the Offeror and the Company to the Shareholders in connection with the Offer in compliance with the Takeovers Code
“Consideration”	the consideration of HK\$72,000,000 payable by the Offeror to the Vendors for the acquisition of the Sale Shares under the Sale and Purchase Agreement
“Director”	the director(s) of the Company

“Executive”	the executive director of the Corporate Finance Division of the SFC from time to time and any delegate of such executive director
“Facility Agreement”	the facility agreement entered into between Grand China as the lender and the Offeror as the borrower in relation to a loan facility for financing part of the consideration payable by the Offeror pursuant to the Offer and the relevant security documents, including but not limited to, the charges over the Sale Shares and all the Shares to be acquired by the Offeror under the Offer or otherwise
“GEM”	GEM operated by the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Global Mastermind”	Global Mastermind Securities Limited, a corporation licensed to carry on type 1 (dealing in securities), type 4 (advising on securities) and type 6 (advising on corporate finance) regulated activities under the SFO, the financial adviser to the Offeror in respect of the Offer
“Grand China”	Grand China Securities Limited, a corporation licensed to carry on type 1 (dealing in securities) and type 4 (advising on securities) regulated activities under the SFO
“Guarantor A”	Mr. Lee King Sun
“Guarantor B” or “Mr. Lee”	Mr. Lee Kin Kee, a non-executive Director
“Guarantors”	collectively, Guarantor A and Guarantor B
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	an independent committee of the Board comprising all the non-executive Directors who have no direct or indirect interest in the Offer, being Mr. Mao Guohua, Mr. Liu Zexing and Mr. Ho Hin Chung, which has been established for the purpose of advising and giving a recommendation to the Independent Shareholders in respect of the Offer
“Independent Financial Adviser” or “INCU”	INCU Corporate Finance Limited, a corporation licensed to carry out Type 6 (advising on corporate finance) regulated activity, being the independent financial adviser appointed by the Company for the purpose of advising the Independent Board Committee and the Independent Shareholders in respect of the Offer

“Independent Shareholders”	the Shareholders other than the Offeror and parties acting in concert with her
“Last Trading Day”	2 September 2021, being the last trading day on which the Shares were traded on the Stock Exchange before the publication of this joint announcement
“Offer”	the mandatory unconditional cash offer for all the issued Shares (other than those already owned or agreed to be acquired by the Offeror and parties acting in concert with her) to be made by Grand China on behalf of the Offeror at the Offer Price in accordance with the Takeovers Code for the Offer Shares
“Offeror”	Ms. Yan Ping
“Offer Period”	has the same meaning ascribed to it under the Takeovers Code and commencing from 10 September 2021, being the date of this joint announcement, and ending on the date when the Offer closes
“Offer Price”	HK\$0.12 per Offer Share in respect of the Offer
“Offer Share(s)”	all the Share(s) in issue, other than those Shares already owned and/or agreed to be acquired by the Offeror and parties acting in concert with her
“PRC”	the People’s Republic of China and for the purpose of this joint announcement, excluding Hong Kong, Taiwan and the Macau Special Administrative Region of the PRC
“Sale and Purchase Agreement”	the sale and purchase agreement dated 2 September 2021 entered into by and among the Vendors, the Guarantors and the Offeror in relation to the sale and purchase of the Sale Shares
“Sale Shares”	600,000,000 Shares, representing 75.0% of the total issued share capital of the Company as at the date of this joint announcement, sold by the Vendors to the Offeror pursuant to the Sale and Purchase Agreement, and each a Sale Share
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)

“Share(s)”	ordinary share(s) of nominal value of HK\$0.01 each in the issued share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“Vendor A”	Nonton Limited, a company incorporated in the British Virgin Islands with limited liability, which is wholly and beneficially owned by Guarantor A
“Vendor B”	Blink Wishes Limited, a company incorporated in the British Virgin Islands with limited liability, which is wholly and beneficially owned by Guarantor B
“Vendors”	collectively, Vendor A and Vendor B
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“RMB”	Renminbi, the lawful currency of the PRC
“%”	per cent.

Yan Ping

By order of the Board
Alpha Era International Holdings Limited
Huang Xiaodong
Chairman and Executive Director

Hong Kong, 10 September 2021

As at the date of this announcement, the Board comprises Mr. Huang Xiaodong and Mr. Xiao Jiansheng as executive Directors; Mr. Lee Kin Kee as non-executive Director; and Mr. Mao Guohua, Mr. Liu Zexing and Mr. Ho Hin Chung as independent non-executive Directors.

The Directors jointly and severally accept full responsibility for the accuracy of information contained in this joint announcement (other than any information relating to the Offeror and parties acting in concert with her) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than those opinions expressed by the Offeror) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statement in this joint announcement misleading.

The Offeror accepts full responsibility for the accuracy of information contained in this joint announcement (other than any information relating to the Group, the Directors, the Vendors and the Guarantors) and confirm, having made all reasonable enquiries, that to the best of her knowledge, opinions expressed in this joint announcement (other than those opinions expressed by the Directors) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statement in this joint announcement misleading.

This announcement will remain on the website of the Stock Exchange at www.hkexnews.com on the “Latest Listed Company Information” page for at least 7 days from the date of its posting and on the Company’s website at www.alpha-era.co.