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Well Dynasty Investments Limited
(Incorporated in Hong Kong with limited liability)

Alpha Professional Holdings Limited
阿爾法企業控股有限公司*
(Incorporated in Bermuda with limited liability)
(Stock Code: 948)

JOINT ANNOUNCEMENT

**(1) CONDITIONAL AGREEMENT IN RELATION TO
THE ACQUISITION OF SALE SHARES BY
WELL DYNASTY INVESTMENTS LIMITED;**

**(2) UNCONDITIONAL MANDATORY CASH OFFER BY
YU MING INVESTMENT MANAGEMENT LIMITED
ON BEHALF OF
WELL DYNASTY INVESTMENTS LIMITED
TO ACQUIRE ALL THE ISSUED SHARES OF
ALPHA PROFESSIONAL HOLDINGS LIMITED
(OTHER THAN THOSE SHARES ALREADY OWNED AND/OR AGREED
TO BE ACQUIRED BY
WELL DYNASTY INVESTMENTS LIMITED
AND PARTIES ACTING IN CONCERT WITH IT); AND**

(3) RESUMPTION OF TRADING

Financial Adviser to the Offeror



YU MING INVESTMENT MANAGEMENT LIMITED
禹銘投資管理有限公司

THE SALE AND PURCHASE AGREEMENT

The Company was informed by the Vendor (a substantial Shareholder and a controlling Shareholder (as defined under the Listing Rules) immediately before Completion) that on 29 September 2021 (after trading hours), the Vendor and the Offeror entered into the Sale and Purchase Agreement, pursuant to which the Vendor has conditionally agreed to sell and the Offeror has conditionally agreed to acquire the Sale Shares, being 177,965,114 Shares, for a total Consideration of HK\$213,558,137, equivalent to HK\$1.2 per Sale Share. The Sale Shares represent approximately 56.61% of the entire issued share capital of the Company as at the date of this joint announcement.

Completion took place on the even date.

UNCONDITIONAL MANDATORY CASH OFFER

Immediately prior to Completion, save for (i) the 14,000,000 Shares (representing approximately 4.45% of the entire issued share capital of the Company) indirectly held by Ms. Chong; and (ii) the 177,965,114 Shares (representing approximately 56.61% of the entire issued share capital of the Company) held by the Vendor, the Offeror and parties acting in concert with it do not hold any Shares in the share capital or voting rights of the Company. Immediately following Completion and as at the date of this joint announcement, the Offeror and parties acting in concert with it are interested in 191,965,114 Shares, representing approximately 61.06% of the entire issued share capital of the Company. Accordingly, the Offeror is required to make an unconditional mandatory cash offer pursuant to Rule 26.1 of the Takeovers Code for all the issued Shares (other than those already owned and/or agreed to be acquired by the Offeror and parties acting in concert with it).

Yu Ming will, on behalf of the Offeror, make the Offer in compliance with the Takeovers Code on the following basis:

For each Offer ShareHK\$1.2 in cash

The Offer Price of HK\$1.2 per Offer Share equals to the purchase price per Sale Share under the Sale and Purchase Agreement.

As at the date of this joint announcement, the Company has 314,360,383 Shares in issue and there are no outstanding options, warrants, derivatives or securities convertible or exchangeable into Shares or other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code). As a result, the total number of Offer Shares will be 122,395,269 Shares. In the event that the Offer is accepted in full by the Independent Shareholders, the aggregate amount payable by the Offeror under the Offer will be HK\$146,874,323.

Principal terms of the Offer are set out under the paragraphs headed “Unconditional Mandatory Cash Offer” of this joint announcement. Yu Ming has been appointed as the financial adviser to the Offeror in respect of the Offer and is satisfied that sufficient financial resources are available to the Offeror to satisfy full acceptance of the Offer.

GENERAL

Independent Board Committee

The Independent Board Committee, comprising all independent non-executive Directors, namely Mr. Li Chak Hung, Mr. Choi Kin Man and Mr. Ngai Wah Sang, has been formed to advise the Independent Shareholders in respect of the Offer pursuant to Rule 2.1 of the Takeovers Code.

Independent Financial Adviser

An independent financial adviser will be appointed to advise the Independent Board Committee in respect of the Offer and, in particular, as to whether the Offer is fair and reasonable and as to the acceptance of the Offer pursuant to Rule 2.1 of the Takeovers Code. Further announcement(s) will be made by the Company as soon as possible after the appointment of the independent financial adviser.

Composite Document

Pursuant to Rule 8.2 of the Takeovers Code, within 21 days of the date of this joint announcement or such later date as the Executive may approve, an offer document is required to be despatched to the Shareholders. The Company is required to send the offeree board circular in respect of the Offer to the Shareholders within 14 days after the posting of the offer document, or such later date as the Executive may approve.

It is the intention of the respective boards of the Offeror and the Company to combine the offer document and the offeree board circular into a composite document. It is expected that, the Composite Document (accompanied by the Form of Acceptance) containing, *inter alia*, (i) details of the Offer (including the expected timetable); (ii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders; and (iii) a letter of advice from the independent financial adviser (to be appointed) to the Independent Board Committee in respect of the Offer, will be despatched to the Independent Shareholders within 21 days of the date of this joint announcement.

Independent Shareholders are encouraged to read the Composite Document carefully, including the advice of the independent financial adviser to the Independent Board Committee and the recommendation from the Independent Board Committee to the Independent Shareholders in respect of the Offer, before deciding whether or not to accept the Offer.

RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange was halted with effect from 9:00 a.m. on 30 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 with effect from 9:00 a.m. on 5 October 2021.

The Company was informed by the Vendor (a substantial Shareholder and a controlling Shareholder (as defined under the Listing Rules) immediately before Completion) that on 29 September 2021 (after trading hours), the Vendor and the Offeror entered into the Sale and Purchase Agreement. A summary of the major terms of the Sale and Purchase Agreement is set out below:–

THE SALE AND PURCHASE AGREEMENT

Date: 29 September 2021 (after trading hours)

Parties: (i) Alpha Professional Development Limited as the Vendor; and
(ii) Well Dynasty Investments Limited (i.e. the Offeror) as purchaser

Immediately prior to Completion, save for (i) the 14,000,000 Shares (representing approximately 4.45% of the entire issued share capital of the Company) indirectly held by Ms. Chong; and (ii) the 177,965,114 Shares (representing approximately 56.61% of the entire issued share capital of the Company) held by the Vendor, the Offeror and parties acting in concert with it do not hold any Shares in the share capital or voting rights of the Company.

Sale Shares

Pursuant to the terms of the Sale and Purchase Agreement, the Vendor has conditionally agreed to sell and the Offeror has conditionally agreed to acquire the Sale Shares, being 177,965,114 Shares, free from all Encumbrance and together with all rights and benefits attaching or accruing to them, including all dividends and distributions declared, made or paid on or after the date of Completion. The Sale Shares represent approximately 56.61% of the entire issued share capital of the Company as at the date of this joint announcement.

Consideration

The Consideration for the Sale Shares is HK\$213,558,137, equivalent to HK\$1.2 per Sale Share, which has been/will be paid by the Offeror with its own internal resources in the following manner:–

- (i) HK\$21,355,814, being 10% of the Consideration, in cash as deposit (i.e. the Deposit) has been paid on the date of Completion;
- (ii) HK\$85,423,254, being 40% of the Consideration, in cash as part payment (i.e. the Part Payment) shall be payable by the Offeror on 28 October 2021; and
- (iii) HK\$106,779,069, being 50% of the Consideration, in cash as remaining payment (i.e. the Remaining Consideration) shall be payable by the Offeror on the date following the expiry of the six-month period commencing from the close of the Offer.

No interest shall accrue on the Part Payment and the Remaining Consideration.

Due to the deferred payment of the Part Payment and Remaining Consideration, the Vendor is presumed to be acting in concert with the Offeror under Class (9) of the definition of “acting in concert” under the Takeovers Code prior to the full settlement of the Part Payment and Remaining Consideration by the Offeror.

The Consideration was determined following arm’s length negotiations between the Offeror and the Vendor, after taking into consideration (i) the financial position of the Group; (ii) the prevailing market prices of the Shares on the Stock Exchange; and (iii) the business prospects and development potential of the Group.

Given (i) the Offer Price is 150% premium over the audited consolidated net asset value attributable to owners of the Company of approximately HK\$0.48 per Share as at 31 March 2021; (ii) the Company generated a revenue of approximately HK\$268.1 million from continuing operations in the financial year ended 31 March 2021, an increase of approximately 80% when compared to the financial year ended 31 March 2020; (iii) a decrease in loss for the year from continuing operations by approximately 53% from approximately HK\$32.1 million in the financial year ended 31 March 2020 to approximately HK\$15.0 million in the financial year ended 31 March 2021 in the midst of COVID-19 pandemic; and (iv) the business prospects and development potential of the Group, the Offeror is of the view that the Offer Price is fair and reasonable.

The Offeror intends to finance settlement of the Part Payment and the Remaining Consideration by its own internal resources. Given (i) the Offeror has provided the Offeror Share Mortgage and pledged the Sale Shares to SHKSFL as a continuing security; and (ii) the Offeror has provided to SHKSFL the proof of sufficient fund for the payment of the Part Payment and the Remaining Consideration, SHKSFL is satisfied that the Offeror is able to make the full payment of the Part Payment and the Remaining Consideration.

Settlement of the Vendor Loan and the Vendor Share Mortgage

The Vendor and SHKSFL entered into the Vendor Loan Agreement, pursuant to which the Lender made available the Vendor Loan of HK\$189,455,826 to the Vendor. As one of the securities of the Vendor Loan, 177,965,114 Mortgaged Shares (equivalent to the Sale Shares) were charged to SHKSFL pursuant to the Vendor Share Mortgage.

On 29 September 2021 (i.e. the date that the Sale and Purchase Agreement was executed), the Offeror, the Vendor and SHKSFL entered into the Settlement Deed, pursuant to which:

- (i) the Vendor agreed to settle with SHKSFL, and SHKSFL agreed to accept the settlement of, the outstanding indebtedness under the Vendor Loan Agreement at the Settlement Amount as a full and final settlement of the Vendor Loan;
- (ii) upon receipt of the Deposit by SHKSFL from the Offeror, SHKSFL has executed the Deed of Release to release, discharge and reassign the Mortgaged Shares to the Vendor, and discharge all obligations and liabilities of the Vendor under the Vendor Share Mortgage;

- (iii) the Offeror has agreed to undertake to pay the entire Consideration directly to SHKSFL as settlement of the Settlement Amount;
- (iv) upon Completion of the transactions under the Sale and Purchase Agreement, the Offeror has executed the Offeror Share Mortgage and pledged the Sale Shares to SHKSFL as a continuing security until the Part Payment and the Remaining Consideration have been fully paid and be applied for the settlement of the Settlement Amount; and
- (v) the repayment obligation of the Vendor under the Vendor Loan Agreement shall be deemed to have been satisfied and discharged in full upon payment of the entire Settlement Amount in full, all subject to the terms and conditions in the Settlement Deed.

Due to the Offeror Share Mortgage, SHKSFL is presumed to be acting in concert with the Offeror under Class (9) of the definition of “acting in concert” under the Takeovers Code prior to the full settlement of the Part Payment and Remaining Consideration by the Offeror and discharge of the Offeror Share Mortgage.

Conditions Precedent of the Sale and Purchase Agreement

Completion was conditional upon the Deed of Release having been duly executed in respect of the Vendor Share Mortgage. Such condition has been satisfied, and Completion took place on 29 September 2021.

Warranties

The Vendor has given certain customary warranties to the Offeror, in respect of, among other things, the legal status, financial conditions, business, operations and assets in relation to the Company.

Post Completion Undertakings of the Vendor

In consideration of the Offeror entering into the Sale and Purchase Agreement, the Vendor unconditionally and irrevocably covenants and undertakes with the Offeror that, throughout the continuance of the Sale and Purchase Agreement and until full and final payment of the Part Payment and the Remaining Consideration is made by the Offeror, and unless with the prior written consent of the Offeror, the Vendor shall (i) perform and observe all covenants and obligations imposed upon it by the Sale and Purchase Agreement and do all other acts and things which may from time to time be necessary or desirable for the continued due performance of its obligations and which may be required for the validity and/or full enforceability of the Sale and Purchase Agreement; (ii) maintain its valid corporate existence; (iii) ensure and procure that there is no change of the shareholdings in or ownership or equity interest or control (direct or indirect) of the Vendor; (iv) ensure and procure that there is no change of the composition of the board of directors of the Vendor; (v) ensure and procure that no amendment or supplement is made to its memorandum or articles of association or equivalent constitutional documents; and (vi) comply with all applicable laws, rules and regulations in any relevant jurisdiction. Without the prior written consent from the Offeror, the Vendor shall not enter into any credit facility, trust deed, debenture, facility agreement, loan agreement, factoring agreement, guarantee, indemnity or other agreement relating to borrowing from SHKSFL or any other parties, whether oral or written, or to incur any new borrowings.

UNCONDITIONAL MANDATORY CASH OFFER

Immediately prior to Completion, save for (i) the 14,000,000 Shares (representing approximately 4.45% of the entire issued share capital of the Company) indirectly held by Ms. Chong; and (ii) the 177,965,114 Shares (representing approximately 56.61% of the entire issued share capital of the Company) held by the Vendor, the Offeror and parties acting in concert with it do not hold any Shares in the share capital or voting rights of the Company. Immediately following Completion and as at the date of this joint announcement, the Offeror and parties acting in concert with it are interested in 191,965,114 Shares, representing approximately 61.06% of the entire issued share capital of the Company. Accordingly, after Completion, the Offeror is required to make an unconditional mandatory cash offer pursuant to Rule 26.1 of the Takeovers Code for all the issued Shares (other than those already owned and/or agreed to be acquired by the Offeror and parties acting in concert with it).

Yu Ming will, on behalf of the Offeror, make the Offer in compliance with the Takeovers Code on the following basis:

For each Offer ShareHK\$1.2 in cash

The Offer Price of HK\$1.2 per Offer Share equals to the purchase price per Sale Share under the Sale and Purchase Agreement.

Offer Consideration

As at the date of this joint announcement, the Company has 314,360,383 Shares in issue and there are no outstanding options, warrants, derivatives or securities convertible or exchangeable into Shares or other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code).

Immediately following Completion and as at the date of this joint announcement, the Offeror and parties acting in concert with it are interested in 191,965,114 Shares. As a result, the total number of Offer Shares will be 122,395,269 Shares. In the event that the Offer is accepted in full by the Independent Shareholders, the aggregate amount payable by the Offeror under the Offer will be HK\$146,874,323.

The Offer Price

The Offer Price of HK\$1.2 per Share represents:

- (i) a premium of approximately 1.69% over the closing price of HK\$1.18 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a premium of approximately 7.14% over the average closing price of HK\$1.12 per Share as quoted on the Stock Exchange for the last five consecutive trading days up to and including the Last Trading Day;

- (iii) a premium of approximately 10.09% over the average closing price of approximately HK\$1.09 per Share as quoted on the Stock Exchange for the last ten consecutive trading days up to and including the Last Trading Day;
- (iv) a premium of approximately 15.38% over the average closing price of approximately HK\$1.04 per Share as quoted on the Stock Exchange for the last thirty consecutive trading days up to and including the Last Trading Day; and
- (v) a premium of approximately 150.00% over the audited consolidated net asset value attributable to owners of the Company of approximately HK\$0.48 per Share as at 31 March 2021 calculated based on the information as set out in the Company's financial report for the year ended 31 March 2021.

Highest and lowest closing prices of Shares

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 from 29 March 2021 to 29 September 2021 was HK\$1.18 per Share on 29 September 2021 and HK\$0.66 per Share on 16 July 2021, respectively.

Confirmation of Financial Resources

The Offeror intends to finance the Offer by way of own internal resources. Yu Ming has been appointed as the financial adviser to the Offeror in respect of the Offer and is satisfied that sufficient financial resources are available to the Offeror to satisfy full acceptance of the Offer.

Effect of accepting the Offer

By validly accepting the Offer, the Independent Shareholders would sell their tendered Shares to the Offeror free from all Encumbrances and together with all rights and benefits attaching or accruing to them, including the rights to receive in full all dividends and other distributions, if any, declared, made or paid by reference to a record date on or after the date on which the Offer is made, that is, the date of the posting of the Composite Document. As at the date of this joint announcement, the Company has not declared any dividends which have not been distributed and the Company has no plan to declare, recommend, or pay any dividends or make any other distributions until the close of the Offer.

Acceptance of the Offer would be irrevocable and would not be capable of being withdrawn, subject to the provisions of the Takeovers Code.

Overseas Shareholders

The Offeror intends to make the Offer available to all the Independent Shareholders, including the Overseas Shareholders. However, the Offer is in respect of securities of a company incorporated in the Bermuda and is subject to the procedural and disclosure requirements of Hong Kong which may be different from other jurisdictions. Overseas Shareholders who wish to participate in the Offer but with a registered address outside Hong Kong are subject to, and may be limited by, the laws and regulations of their respective jurisdictions in connection with their participation in the Offer. Overseas Shareholders who are citizens, residents or nationals of a jurisdiction outside Hong Kong should observe relevant applicable legal or regulatory requirements and, where necessary, seek legal advice. It is the responsibility of the Overseas Shareholders who wish to accept the Offer to satisfy themselves as to the full observance of the laws and regulations of the relevant jurisdictions in connection with the acceptance of the Offer (including the obtaining of any governmental or other consent which may be required or the compliance with other necessary formalities and the payment of any transfer or other taxes due by such accepting Overseas Shareholder in respect of such jurisdictions).

Stamp duty

Seller's Hong Kong ad valorem stamp duty on acceptances of the Offer at a rate of 0.13% (or part thereof) of the consideration payable in respect of the relevant acceptance by the Independent Shareholders or if higher, the market value of the Shares, will be deducted from the cash amount payable by the Offeror to such Shareholders who accept the Offer (where the stamp duty calculated includes a fraction of HK\$1, the stamp duty would be rounded-up to the nearest HK\$1). The Offeror will arrange for payment of the seller's Hong Kong ad valorem stamp duty on behalf of the relevant Independent Shareholders accepting the Offer and pay the buyer's Hong Kong ad valorem stamp duty in connection with the acceptance of the Offer and the transfer of the Shares in accordance with the Stamp Duty Ordinance (Chapter 117 of the Laws of Hong Kong).

Taxation advice

Shareholders are recommended to consult their own professional advisers as to the taxation implications of accepting or rejecting the Offer. The Offeror and parties acting concert with it accept no responsibility for any taxation effects on, or liabilities of, any persons as a result of their acceptance or rejection of the Offer.

Payment

Payment in cash in respect of acceptances of the Offer will be made as soon as possible but in any event, within seven (7) Business Days following the later of the date on which the duly completed acceptance of the Offer and the relevant documents of title of the Shares in respect of such acceptance are received by or for the Offeror to render each such acceptance of the Offer complete and valid pursuant to Rule 20.1 and Note 1 to Rule 30.2 of the Takeovers Code.

No fractions of a cent will be payable and the amount of the consideration payable to a Shareholder who accepts the Offer will be rounded up to the nearest cent.

Other arrangements

Save for the Sale Shares under the Sale and Purchase Agreement, none of the Offeror, its ultimate beneficial owner or parties acting in concert with any of them (including the Vendor and SHKSFL, their ultimate beneficial owners and/or parties acting in concert with any of them) has dealt in the Shares, options, derivatives, warrants or other securities convertible or exchangeable into Shares or other relevant securities (as defined in Note 4 to Rule 22 of Takeovers Code) during the six-month period prior to 3 September 2021, being the date of the first announcement made by the Company of a possible offer.

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

- (i) save for 191,965,114 Shares held by the Offeror and parties acting in concert with it, none of the Offeror, its ultimate beneficial owner or parties acting in concert with any of them owned or had control or direction over any voting rights or rights over the Shares or convertible securities, options, warrants or derivatives of the Company;
- (ii) none of the Offeror, its ultimate beneficial owner or parties acting in concert with any of them have received any irrevocable commitment to accept the Offer;
- (iii) there are no conditions to which the Offer is subject;
- (iv) there is no arrangement (whether by way of option, indemnity or otherwise) of the kind referred to in Note 8 to Rule 22 of the Takeovers Code in relation to the shares of the Offeror or the Shares and which might be material to the Offer;
- (v) save for the Sale and Purchase Agreement, there is no agreement or arrangement to which the Offeror, its ultimate beneficial owner or parties acting in concert with any of them is a party which relates to circumstances in which it may or may not invoke or seek to invoke a pre-condition or a condition to the Offer;
- (vi) none of the Offeror, its ultimate beneficial owner or parties acting in concert with any of them has entered into any arrangements or contracts in relation to the outstanding derivatives in respect of securities in the Company nor has borrowed or lent any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company;
- (vii) other than the Consideration under the Sale and Purchase Agreement and the Offeror Share Mortgage, the Offeror, its ultimate beneficial owner and/or parties acting in concert with any of them (other than the Vendor and SHKSFL) have not paid and will not pay any other consideration, compensation or benefit in whatever form to the Vendor, SHKSFL, their ultimate beneficial owner and/or parties acting in concert with any of them in connection with the Sale and Purchase Agreement;

- (viii) there is no understanding, arrangement, agreement or special deal (as defined under Rule 25 of the Takeovers Code) between the Offeror, its ultimate beneficial owner and/or parties acting in concert with any of them (other than the Vendor and SHKSFL) on one hand and the Vendor, SHKSFL, their ultimate beneficial owner and/or parties acting in concert with any of them on the other hand; and
- (ix) there is no understanding, arrangement, agreement or special deal (as defined under Rule 25 of the Takeovers Code) between (i) any Shareholder; and (ii)(a) the Offeror, its ultimate beneficial owner and/or parties acting in concert with any of them; or (ii)(b) the Company, its subsidiaries or associated companies.

INFORMATION ON THE GROUP

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. The Group is principally engaged in (i) trading of milk powder and baby foods; (ii) provision of mobile handset solution; and (iii) property investment.

Set out below is a summary of the audited consolidated results of the Group for each of the two financial years ended 31 March 2020 and 2021, as extracted from the annual reports of the Company for the year ended 31 March 2020 and 2021.

	For the year ended 31 March	
	2020	2021
	<i>HK\$'000</i>	<i>HK\$'000</i>
	<i>(audited)</i>	<i>(audited)</i>
Revenue from continuing operations	147,930	268,099
Loss before taxation from continuing operations	(32,045)	(14,600)
Taxation from continuing operations	<u>(18)</u>	<u>(393)</u>
Loss for the year from continuing operations	(32,063)	(14,993)
Loss for the year from discontinued operation	<u>(56,525)</u>	<u>–</u>
	<u>(88,588)</u>	<u>(14,993)</u>
Loss for the year attributable to owners of the Company	(88,056)	(14,993)
Loss for the year attributable to non-controlling interest	<u>(532)</u>	<u>–</u>
	<u>(88,588)</u>	<u>(14,993)</u>

The audited consolidated net assets of the Group attributable to owners of the Company as at 31 March 2021 were approximately HK\$150,492,000 which was equivalent to approximately HK\$0.48 per Share and the audited consolidated net assets of the Group attributable to owners of the Company as at 31 March 2020 were approximately HK\$111,423,000 which was equivalent to approximately HK\$0.42 per Share.

Shareholding Structure of the Company

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

	Immediately prior to Completion		After Completion and as at the date of this joint announcement	
	No. of Shares	%	No. of Shares	%
<i>The Offeror and parties acting in concert with it</i>				
The Offeror ^{Note 1}	–	–	177,965,114	56.61%
The Vendor ^{Note 2}	177,965,114	56.61%	–	–
SHKSFL ^{Note 3}	177,965,114	56.61%	177,965,114	56.61%
Vigor Online Offshore Limited ^{Note 4}	14,000,000	4.45%	14,000,000	4.45%
Sub Total	191,965,114	61.06%	191,965,114	61.06%
Public Shareholders	122,395,269	38.94%	122,395,269	38.94%
Total	<u>314,360,383</u>	<u>100.00%</u>	<u>314,360,383</u>	<u>100.00%</u>

Notes

1. The Offeror, Well Dynasty Investments Limited, is a wholly owned subsidiary of Miracle Plant Developments Limited, which in turn is a company wholly owned by Ms. Chong.
2. The Vendor, Alpha Professional Development Limited, is a company owned as to 50% by Mr. Xiong Jianrui (an executive Director and the Chairman of the Company) and 50% by Mr. Yi Peijian (an executive Director and the Chief Executive Officer of the Company).
3. Immediately prior to Completion, the Mortgaged Shares, being 177,965,114 Shares, were charged to SHKSFL pursuant to the Vendor Share Mortgage as securities under the Vendor Loan. After Completion and as at the date of this joint announcement, the Sale Shares, being 177,965,114 Shares, were charged to SHKSFL pursuant to the Offeror Share Mortgage as a continuing security until the Part Payment and the Remaining Consideration have been fully paid and be applied for the settlement of the Settlement Amount. SHKSFL is wholly owned by Shipshape Investments Limited which is in turn wholly owned by Sun Hung Kai & Co. Limited. Therefore, through SHKSFL's security interest in the 177,965,114 Shares, each of Shipshape Investments Limited and Sun Hung Kai & Co. Limited was deemed to be interested in the 177,965,114 Shares.

Sun Hung Kai & Co. Limited was owned as to approximately 72.97% by Allied Group Limited (“AGL”) via its subsidiaries. AGL was therefore deemed to have an interest in the shares in which Sun Hung Kai & Co. Limited was interested.

Mr. Lee Seng Hui together with Ms. Lee Su Hwei and Mr. Lee Seng Huang are the trustees of Lee and Lee Trust, being a discretionary trust. The Lee and Lee Trust controlled approximately 74.96% of the total number of issued shares of AGL (inclusive of Mr. Lee Seng Hui’s personal interests) and was therefore deemed to have an interest in the shares in which AGL was interested.

4. Vigor Online Offshore Limited, a wholly-owned subsidiary of China Spirit Limited, owned 14,000,000 Shares. Ms. Chong owns 100% beneficial interests in China Spirit Limited. Accordingly, Ms. Chong was deemed to have an interest of 14,000,000 Shares through China Spirit Limited and Vigor Online Offshore Limited.

INFORMATION ON THE OFFEROR

The Offeror is an investment holding company incorporated in Hong Kong with limited liability on 18 June 2021, it is a wholly owned subsidiary of Miracle Plant Developments Limited, which in turn is wholly owned by Ms. Chong, the sole director of the Offeror.

Ms. Chong, M.H. aged 66, was appointed as executive director and chairman of China Medical & HealthCare Group Limited (“China Medical & HealthCare”, stock code: 383) on 23 August 2002 and has been re-designated as deputy chairman of China Medical & HealthCare since 16 December 2015. Ms. Chong was awarded the Medal of Honour (M.H.) by the Hong Kong Government on 1 July 2011. She was a member of the National Committee of the Chinese People’s Political Consultative Conference, Guangdong Province from January 2012 to January 2017. She was appointed as an honorary director of Chinese Red Cross Foundation in September 2005. She is the name of YOT Chong Sok Un Medical Fund (Cancer Aid) which was set up in 2007 and became a director of YOT Chong Sok Un Medical Fund (Cancer Aid) Company Limited since 2008. She is a member of Yan Oi Tong Advisory Board since 2011, and was the chairman of the 31st Term Board of Directors of Yan Oi Tong from 2010 to 2011, the vice chairman of the 28th Term Board of Directors of Yan Oi Tong from 2007 to 2008 and a director of the 27th Term Board of Directors of Yan Oi Tong from 2006 to 2007. She is an honorary chairlady of the 7th Term Management Committee of All-China Women’s Federation Hong Kong Delegates Association Limited since 2021. She was an executive director and chairman of APAC Resources Limited (stock code: 1104) from 6 July 2007 to 1 March 2016 and a non-executive director of Alibaba Pictures Group Limited (stock code: 1060) from 25 June 2007 to 23 April 2009.

INTENTIONS OF THE OFFEROR IN RELATION TO THE GROUP

The Offeror intends to continue the existing businesses of the Group. As at the date of this joint announcement, the Offeror has no plan to inject any assets or businesses into the Group or to procure the Group to acquire or dispose of any assets.

Immediately after the close of the Offer, the Offeror will conduct a review of the financial position and operations of the Group in order to formulate a long-term strategy for the Group and explore other business/investment opportunities for enhancing its future development and strengthening its revenue bases. As at the date of this joint announcement, the Offeror has not identified such investment or business opportunities.

The Offeror intends to nominate new Directors to the Board after close of the Offer. Any changes to the Board composition will be made in compliance with the Takeovers Code and the Listing Rules. Other than that, the Offeror has no intention to terminate any employment of the employees of the Group or to make significant changes to any employment or to dispose of or re-allocate the Group's assets which are not in the ordinary and usual course of business of the Group.

Maintaining the Listing Status of the Company

The Offeror has no intention to privatise the Company and intends to maintain the listing of the Shares on the Stock Exchange. The Offeror will undertake to the Stock Exchange to take appropriate steps to ensure that not less than 25% of the entire issued share capital of the Company will continue to be held by the public at all times.

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

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

it will consider exercising its discretion to suspend dealing in the Shares until the prescribed level of public float is restored.

GENERAL

Independent Board Committee

The Independent Board Committee, comprising all independent non-executive Directors, namely Mr. Li Chak Hung, Mr. Choi Kin Man and Mr. Ngai Wah Sang, has been formed to advise the Independent Shareholders in respect of the Offer, as to whether the terms of the Offer are fair and reasonable and as to the acceptance of the Offer, pursuant to Rule 2.1 of the Takeovers Code.

Independent Financial Adviser

An independent financial adviser will be appointed to advise the Independent Board Committee in respect of the Offer and, in particular, as to whether the Offer is fair and reasonable and as to the acceptance of the Offer pursuant to Rule 2.1 of the Takeovers Code. Further announcement(s) will be made by the Company as soon as possible after the appointment of the independent financial adviser.

Composite Document

Pursuant to Rule 8.2 of the Takeovers Code, within 21 days of the date of this joint announcement or such later date as the Executive may approve, an offer document is required to be despatched to the Shareholders. The Company is required to send the offeree board circular in respect of the Offer to the Shareholders within 14 days after the posting of the offer document, or such later date as the Executive may approve.

It is the intention of the respective boards of the Offeror and the Company to combine the offer document and the offeree board circular into a composite document. It is expected that, the Composite Document (accompanied by the Form of Acceptance) containing, *inter alia*, (i) details of the Offer (including the expected timetable); (ii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders; and (iii) a letter of advice from the independent financial adviser (to be appointed) to the Independent Board Committee in respect of the Offer, will be despatched to the Shareholders within 21 days of the date of this joint announcement.

Independent Shareholders are encouraged to read the Composite Document carefully, including the advice of the independent financial adviser to the Independent Board Committee and the recommendation from the Independent Board Committee to the Independent Shareholders in respect of the Offer, before deciding whether or not to accept the Offer.

Dealings disclosure

In accordance with Rule 3.8 of the Takeovers Code, the respective associates (as defined under the Takeovers Code) of the Offeror and the Company (including their respective holders having interests of 5% or more of any class of relevant securities of the Offeror or the Company) are reminded to disclose their dealings in the relevant securities in the Company in accordance with Rule 22 of the Takeovers Code.

In accordance with Rule 3.8 of the Takeovers Code, reproduced below is the full text of Note 11 to Rule 22 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 HK\$1 million.

This dispensation does not alter the obligation of principals, associates and other person 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 cooperation.”

RESUMPTION OF TRADING IN THE SHARES

At the request of the Company, trading in the Shares on the Stock Exchange was halted with effect from 9:00 a.m. on 30 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 with effect from 9:00 a.m. on 5 October 2021.

DEFINITIONS

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

“acting in concert with”	has the same meaning ascribed to it under the Takeovers Code
“associate(s)”	has the same meaning ascribed to it under the Takeovers Code
“Board”	the board of Directors
“Business Day(s)”	a business day is a day on which the Stock Exchange is open for the transaction of business
“Company”	Alpha Professional Holdings Limited (Stock Code: 948), a company incorporated in Bermuda with limited liability, the Shares of which are listed on the Main Board 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, which took place on 29 September 2021
“Composite Document”	the composite offer and response documents proposed to be jointly issued by the Offeror and the Company together with the Form of Acceptance to the Shareholders in connection with the Offer in compliance with the Takeovers Code
“connected person”	has the meaning ascribed to it under the Listing Rules
“Consideration”	HK\$213,558,137 payable by the Offeror to the Vendor for the Sale Shares

“Deed of Release”	a deed of release of the Vendor Share Mortgage executed by SHKSFL in favour of the Vendor in relation to the full release of the Mortgaged Shares
“Deposit”	HK\$21,355,814, being 10% of the Consideration, in cash as deposit which has been paid by the Offeror on the date of Completion
“Director(s)”	the director(s) of the Company
“Encumbrances”	(i) any mortgage, charge, pledge, lien, hypothecation, encumbrances or other security arrangement of any kind; (ii) any option, equity, claim, adverse interest or other third party right of any kind; (iii) any arrangement by which any right is subordinated to any right of such third party; or (iv) any contractual right of set-off, including any agreement or commitment to create or procure to create, or to permit or suffer to be created or subsisted any of the above
“Executive”	the Executive Director of the Corporate Finance Division of the SFC or any delegate of the Executive Director
“Form of Acceptance”	the form of acceptance and transfer of the Offer Shares in respect of the Offer
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	an independent committee of the Board comprising all independent non-executive Directors, namely Mr. Li Chak Hung, Mr. Choi Kin Man and Mr. Ngai Wah Sang, established for the purpose of advising the Independent Shareholders in respect of the Offer and in particular as to whether the terms of the Offer is fair and reasonable and as to acceptance of the Offer
“Independent Shareholders”	the Shareholders other than the Offeror and parties acting in concert with it
“Last Trading Day”	29 September 2021, the last trading day for the Shares prior to the trading halt of the Shares pending publication of this joint announcement

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Main Board”	Main Board of the Stock Exchange (excluding the option market) operated by the Stock Exchange which is independent from and operated in parallel with the GEM of the Stock Exchange
“Mortgaged Shares”	177,965,114 Shares (equivalent to the Sale Shares) which were charged to SHKSFL under the Vendor Share Mortgage
“Ms. Chong”	Ms. Chong Sok Un, the ultimate beneficial owner of the Offeror
“Offer”	the unconditional mandatory cash offer to be made by Yu Ming on behalf of the Offeror to acquire all the issued Shares (other than those Shares already owned and/or agreed to be acquired by the Offeror and parties acting in concert with it)
“Offer price”	the price at which the Offer is made, being HK\$1.2 per Offer Share
“Offer Share(s)”	all of the Share(s) in issue, other than those already owned and/or agreed to be acquired by the Offeror and/or parties acting in concert with it
“Offeror”	Well Dynasty Investments Limited, a company incorporated in Hong Kong with limited liability and indirectly wholly-owned by Ms. Chong
“Offeror Share Mortgage”	the share mortgage dated 29 September 2021 entered into between SHKSFL and the Offeror, pursuant to which, among other things, the Offeror mortgages, charges and assigns to SHKSFL all the rights, title and interest of the Offeror in the Sale Shares
“Overseas Shareholder(s)”	Shareholder(s) whose addresses, as shown on the register of members of the Company, are outside Hong Kong
“Part Payment”	HK\$85,423,254, being 40% of the Consideration, in cash as part payment which shall be payable by the Offeror on 28 October 2021

“PRC”	the People’s Republic of China, for the purpose of this joint announcement, shall exclude Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“Remaining Consideration”	HK\$106,779,069, being 50% of the Consideration, in cash as remaining payment which shall be payable by the Offeror on the date following the expiry of the six-month period commencing from the close of the Offer
“Sale and Purchase Agreement”	the sale and purchase agreement dated 29 September 2021 entered into by the Vendor and the Offeror for the sale and purchase of the Sale Shares
“Sale Shares”	177,965,114 Shares legally and beneficially owned by the Vendor as at the date of the Sale and Purchase Agreement (immediately prior to Completion), representing approximately 56.61% of the entire issued share capital of the Company as at the date of this joint announcement, sold by the Vendor to the Offeror subject to and conditional upon the terms of the Sale and Purchase Agreement, and each a “Sale Share”
“Settlement Amount”	a settlement amount in the aggregate of HK\$213,558,137 undertaken and agreed to be paid or cause to be paid by the Vendor to SHKSFL under the Settlement Deed
“Settlement Deed”	the settlement deed dated 29 September 2021 entered into by the Offeror, the Vendor and SHKSFL in respect of settlement of indebtedness of the Vendor Loan
“SFC”	The Securities and Futures Commission of Hong Kong
“Share(s)”	ordinary share(s) of US\$0.16 each in the issued share capital of the Company
“Shareholder(s)”	holder(s) of the Shares from time to time
“SHKSFL”	Sun Hung Kai Structured Finance Limited, the lender of the Vendor Loan under the Vendor Loan Agreement
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers

“US\$”	United States dollars, the lawful currency of the United States of America
“Vendor”	Alpha Professional Development Limited, a company incorporated in the British Virgin Islands with limited liability, and owned as to 50% by Mr. Xiong Jianrui (an executive Director and the Chairman of the Company) and 50% by Mr. Yi Peijian (an executive Director and the Chief Executive Officer of the Company)
“Vendor Loan”	a loan of HK\$189,455,826 made available by SHKSFL to the Vendor, pursuant to the Vendor Loan Agreement
“Vendor Loan Agreement”	the loan agreement dated 21 December 2017 entered into between SHKSFL and the Vendor in respect of the Vendor Loan (as amended by a supplemental loan agreement dated 29 May 2018 and a second supplemental loan agreement dated 12 December 2018)
“Vendor Share Mortgage”	the share mortgage dated 22 December 2017 entered into between SHKSFL and the Vendor, pursuant to which, among other things, the Vendor mortgages, charges and assigns to SHKSFL all the rights, title and interest of the Vendor in the Mortgaged Shares
“Yu Ming”	Yu Ming Investment Management Limited, a corporation licensed under the Securities and Futures Ordinance to carry out regulated activities of type 1 (dealing in securities), type 4 (advising on securities), type 6 (advising on corporate finance) and type 9 (asset management), and a company incorporated in Hong Kong with limited liability, being the financial adviser of the Offeror in respect of the Offer
“%”	per cent.

By Order of the sole director of
Well Dynasty Investments Limited
Chong Sok Un
Director

By Order of the Board
Alpha Professional Holdings Limited
Xiong Jianrui
Chairman

Hong Kong, 4 October 2021

As at the date of this joint 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.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than that relating to the Offeror, its associates and parties acting in concert with any of them) and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than the opinions expressed by the sole director of 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.

As at the date of this joint announcement, the sole director of the Offeror is Ms. Chong Sok Un.

The sole director of the Offeror accepts full responsibility for the accuracy of the information contained in this joint announcement (other than that relating to the Company, the Vendor and parties acting in concert with any of them) and confirms, having made all reasonable inquiries, that to the best of her knowledge, opinions expressed in this joint announcement (other than 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.

** For identification purpose only*