

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this joint announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this joint announcement.

This joint announcement appears for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for securities of the Company.

SEASON PACIFIC HOLDINGS LIMITED

雲裳衣控股有限公司*

*(Incorporated in the Cayman Islands with
limited liability)*

(Stock Code: 1709)

DA WOLF

INVESTMENTS I LIMITED

*(Incorporated in the British Virgin Islands with
limited liability)*

JOINT ANNOUNCEMENT

**(I) COMPLETION OF THE SALE AND
PURCHASE OF SHARES IN SEASON PACIFIC HOLDINGS LIMITED;**

(II) MANDATORY UNCONDITIONAL CASH OFFER BY

 **KINGSTON SECURITIES**

**FOR AND ON BEHALF OF DA WOLF INVESTMENTS I LIMITED
TO ACQUIRE ALL OF THE ISSUED SHARES
(OTHER THAN THOSE ALREADY OWNED OR AGREED TO BE
ACQUIRED BY DA WOLF INVESTMENTS I LIMITED AND
PARTIES ACTING IN CONCERT WITH IT);**

AND

**(III) RESUMPTION OF TRADING IN THE SHARES OF
SEASON PACIFIC HOLDINGS LIMITED**

Financial Adviser to the Offeror

 **KINGSTON CORPORATE FINANCE**

**THE SALE AND PURCHASE AGREEMENT AND COMPLETION OF
ACQUISITION OF THE SALE SHARES**

The Company was informed by the Vendor that on 13 January 2020, the Vendor (as vendor) and the Offeror (as purchaser) 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, a total of 356,876,000 Sale Shares at the purchase price of HK\$0.55 per Sale Share, for a total cash consideration of HK\$196,281,800. The Sale Shares represent approximately 31.76% of the entire issued share capital of the Company as at the date of this joint announcement.

Completion took place on 13 January 2020 in accordance with the terms of the Sale and Purchase Agreement. The total consideration of HK\$196,281,800 has been paid by the Offeror upon Completion.

MANDATORY UNCONDITIONAL CASH OFFER

Immediately prior to the Sale and Purchase Agreement and Completion, the Offeror and parties acting in concert with it were interested in (a) 308,680,000 Shares, representing approximately 27.46% of the issued share capital of the Company as at the date of this joint announcement, in which (i) 86,262,000 Shares were held by the Offeror directly; (ii) 222,418,000 Shares were held by Rapid Raise, and (b) 10,115,000 outstanding Share Options with exercise price at HK\$0.476 per Share were held by Ms. Jiang.

Immediately following Completion and as at the date of this joint announcement, the Offeror and parties acting in concert with it became interested in (a) a total of 665,556,000 Shares, representing approximately 59.22% of the entire issued share capital of the Company as at the date of this joint announcement, and (b) 10,115,000 outstanding Share Options with exercise price at HK\$0.476 per Share.

Pursuant to Rule 26.1 of the Takeovers Code, the Offeror is required to make the Offer for all the issued Shares (other than those Shares already owned by or agreed to be acquired by the Offeror and parties acting in concert with it). The Offeror is also required to make an offer for the cancellation of all the Excluded Options pursuant to Rule 13.5 of the Takeovers Code. As a result of the Irrevocable Option Undertakings from the Independent Option Holders, no offer will be made for the Excluded Options under Rule 13.5 of the Takeovers Code. Details of the Irrevocable Option Undertakings are set out under the section headed “(B) MANDATORY UNCONDITIONAL CASH OFFER — Irrevocable Share Undertakings and Irrevocable Option Undertakings” in this joint announcement.

As at the date of this joint announcement, the Company has (a) a total of 1,123,800,000 Shares in issue; (b) a total of 152,821,000 outstanding Share Options granted pursuant to the Share Option Scheme. Save for the Share Options, as at the date of this joint announcement, the Company does not have any outstanding convertible securities, warrants, options or derivatives in respect of any Shares.

Kingston Securities will, for and on behalf of the Offeror, make the Offer in accordance with Rule 26.1 of the Takeovers Code.

The Offer

For each Offer Share. HK\$0.55 in cash

The Offer Price of HK\$0.55 for each Offer Share accepted under the Offer is the same as the price for each Sale Share being acquired by the Offeror pursuant to the Sale and Purchase Agreement.

The principal terms of the Offer is set out under the section headed “(B) MANDATORY UNCONDITIONAL CASH OFFER” in this joint announcement.

Irrevocable Share Undertakings and Irrevocable Option Undertakings

As at the date of this joint announcement, Mr. Li holds 102,154,000 Shares and Mr. Tan holds 42,000,000 Shares, representing approximately 9.09% and 3.74% of the entire issued share capital of the Company, respectively. As at the date of this joint announcement, Mr. Li and Mr. Tan have respectively given their Irrevocable Share Undertakings in favour of the Offeror, pursuant to which they have undertaken that they (i) shall not accept the Offer in respect of the Excluded Shares; (ii) shall not sell, transfer or otherwise dispose of, or charge, pledge or otherwise encumber, or grant any option or other right over the Excluded Shares, and (iii) shall not otherwise make the Excluded Shares available for acceptance under the Offer.

As at the date of this joint announcement, the Independent Option Holders held in aggregate 142,706,000 outstanding Share Options, and they have respectively given Irrevocable Option Undertakings in favour of the Offeror, pursuant to which they have undertaken not to accept the offer in relation to the Excluded Options or exercise the rights attaching to Excluded Options from the date of the Irrevocable Option Undertakings until the Closing Date.

INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

Pursuant to Rule 2.1 of the Takeovers Code, an Independent Board Committee comprising all the non-executive Directors (other than Mr. Li), namely Ms. Chin Ying Ying, Mr. Chang Eric Jackson, Mr. Choi Sheung Jeffrey and Ms. Luk Huen Ling Claire, has been formed to advise the Independent Shareholders in relation to the Offer as to whether the terms of the Offer are fair and reasonable and whether the Offer is in the interests of the Independent Shareholders as a whole and as to their acceptance thereto.

An Independent Financial Adviser will be appointed to advise the Independent Board Committee in relation to the Offer pursuant to Rule 2.1 of the Takeovers Code. Further announcement(s) will be made upon the appointment of the Independent Financial Adviser.

DESPATCH OF THE COMPOSITE OFFER DOCUMENT

It is the intention of the respective board of directors 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, the Offeror is required to despatch the Composite Document setting out, among other things, terms of the Offer, the recommendations of the Independent Board Committee to the Independent Shareholders in respect of the Offer, the letter of advice of the Independent Financial Adviser to the Independent Board Committee in respect of the Offer, along with a form of acceptance and transfer of the Shares in respect of the Offer and a form of acceptance to the Independent Shareholders within 21 days of the date of this joint announcement (or such later date as the Executive may approve). An expected timetable in relation to the Offer will be included in the Composite Document.

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 13 January 2020 pending the release of this joint announcement. Application has been made by the Company for the resumption of trading in the Shares with effect from 9:00 a.m. on 20 January 2020.

WARNING

The Directors make no recommendation as to the fairness or reasonableness of the Offer or as to the acceptance of the Offer in this joint announcement, and strongly recommend the Independent Shareholders not to form a view on the Offer unless and until they have received and read the Composite Document, including the recommendations of the Independent Board Committee in respect of the Offer and a letter of advice from the Independent Financial Adviser.

The Independent Shareholders, and potential investors of the Company should exercise extreme caution when dealing in the relevant securities of the Company. Persons who are in doubt as to the action they should take should consult a licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant or other professional advisers.

(A) THE SALE AND PURCHASE AGREEMENT AND COMPLETION OF ACQUISITION OF THE SALE SHARES

The Company was informed by the Vendor that on 13 January 2020, the Vendor (as vendor) and the Offeror (as purchaser) 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, a total of 356,876,000 Sale Shares at the purchase price of HK\$0.55 per Sale Share, for a total cash consideration of HK\$196,281,800. The Sale Shares represent approximately 31.76% of the entire issued share capital of the Company as at the date of this joint announcement.

Date

13 January 2020

Parties

- (i) Alpha Direct Investments Limited (as the Vendor); and
- (ii) DA Wolf Investments I Limited (as the purchaser thereof).

The Vendor is wholly owned by Mr. Cheung. Mr. Cheung is the chairman of the Board and the chief executive officer of the Company, as well as an executive Director.

Sale and Purchase of the Sale Shares

On and subject to the terms of the Sale and Purchase Agreement, the Vendor has conditionally agreed to sell, and the Offeror has conditionally agreed to acquire, a total of 356,876,000 Sale Shares, representing approximately 31.76% of the entire issued share capital of the Company as at the date of this joint announcement, free from all encumbrances and together with all rights attaching or accruing to them as at Completion.

Consideration for the Sale Shares

The purchase price for the Sale Shares is HK\$0.55 per Share, representing a total cash consideration of HK\$196,281,800. The consideration has been paid by the Offeror in cash to the Vendor at Completion.

The consideration was determined following arm's length negotiations among the parties and with reference to, among others, the prevailing market price of the Shares, the financial performance of the Group and the unaudited net asset value of the Group as at 30 September 2019.

Completion

Completion took place on 13 January 2020 in accordance with the terms of the Sale and Purchase Agreement.

(B) MANDATORY UNCONDITIONAL CASH OFFER

Immediately prior to the Sale and Purchase Agreement and Completion, the Offeror and parties acting in concert with it were interested in (a) 308,680,000 Shares, representing approximately 27.46% of the issued share capital of the Company as at the date of this joint announcement, in which (i) 86,262,000 Shares were held by the Offeror directly; (ii) 222,418,000 Shares were held by Rapid Raise, and (b) 10,115,000 outstanding Share Options with exercise price at HK\$0.476 per Share were held by Ms. Jiang.

Immediately following Completion and as at the date of this joint announcement, the Offeror and parties acting in concert with it became interested in (a) a total of 665,556,000 Shares, representing approximately 59.22% of the entire issued share capital of the Company at the date of this joint announcement, and (b) 10,115,000 outstanding Share Options with exercise price at HK\$0.476 per Share.

Pursuant to Rule 26.1 of the Takeovers Code, the Offeror is required to make the Offer for all the issued Shares (other than those Shares already owned by or agreed to be acquired by the Offeror and parties acting in concert with it). The Offeror is also required to make an offer for the cancellation of all the Excluded Options pursuant to Rule 13.5 of the Takeovers Code. As a result of the Irrevocable Option Undertakings from each of the Independent Option Holders, no offer will be made for the Excluded Options under Rule 13.5 of the Takeovers Code.

As at the date of this joint announcement, the Company has (a) 1,123,800,000 Shares in issue; (b) a total of 152,821,000 outstanding Share Options granted pursuant to the Share Option Scheme, in which (i) 60,000,000 outstanding Share Options are exercisable at HK\$0.425 per Share; (ii) 32,591,000 outstanding Share Options are exercisable at HK\$0.476 per Share; (iii) 40,000,000 outstanding Share Options are exercisable at HK\$0.482 per Share; and (iv) 20,230,000 outstanding Share Options are exercisable at HK\$0.50 per Share.

Save for the Share Options above, as at the date of this joint announcement, the Company does not have any outstanding convertible securities, warrants, options or derivatives in respect of any Shares.

Kingston Securities will, for and on behalf of the Offeror, make the Offer in accordance with Rule 26.1 of the Takeovers Code.

The Offer

For each Offer Share HK\$0.55 in cash

The Offer Price of HK\$0.55 for each Offer Share accepted under the Offer is the same as the price for each Sale Share being acquired by the Offeror pursuant to the Sale and Purchase Agreement.

Comparisons of Value

The Offer Price of HK\$0.55 per Offer Share represents:

- (a) a discount of approximately 19.12% over the closing price of HK\$0.680 per Share as quoted on the Stock Exchange on 10 January 2020, being the Last Trading Day;
- (b) a discount of approximately 16.16% over the average closing price of approximately HK\$0.656 per Share as quoted on the Stock Exchange for the last 5 trading days immediately prior to and including the Last Trading Day;
- (c) a discount of approximately 17.17% over the average closing price of approximately HK\$0.664 per Share as quoted on the Stock Exchange for the last 10 trading days immediately prior to and including the Last Trading Day;
- (d) a discount of approximately 6.62% over the average closing price of approximately HK\$0.589 per Share as quoted on the Stock Exchange for the last 30 trading days immediately prior to and including the Last Trading Day;
- (e) a premium of approximately 2.23% over the average closing price of approximately HK\$0.538 per Share as quoted on the Stock Exchange for the last 60 trading days immediately prior to and including the Last Trading Day; and
- (f) a premium of approximately 261.84% over the audited consolidated net asset value of the Group of approximately HK\$0.152 per Share as at 31 March 2019 calculated based on the audited consolidated net asset value of the Group as at 31 March 2019 of approximately HK\$170,822,000 and 1,123,800,000 Shares in issue as at the date of this joint announcement.

Highest and Lowest Trading Prices

During the six-month period immediately preceding the Last Trading Day, the highest closing price of the Shares as quoted on the Stock Exchange was HK\$0.69 on 30 December 2019 and the lowest closing price of the Shares as quoted on the Stock Exchange was HK\$0.46 on each of 15 August 2019, 30 August 2019, 2 September 2019, 3 September 2019, 4 September 2019, 5 September 2019, 9 September 2019 and 18 October 2019.

Total Value of the Offer

On the basis of the Offer Price of HK\$0.55 per Offer Share and 1,123,800,000 entire issued Shares as at the date of this joint announcement, the entire issued share capital of the Company would be valued at HK\$618,090,000 (assuming that there is no change in the total number of issued Shares from the date of this joint announcement up to the Closing Date).

As at the date of this joint announcement, the Offeror and parties acting in concert with it are interested in 665,556,000 Shares, and therefore the total number of Offer Shares shall be 458,244,000 Shares. On the basis of the Offer Price of HK\$0.55 per Offer Share and 458,244,000 Offer Shares (being 1,123,800,000 Shares in issue as at the date of this joint announcement less 665,556,000 Shares in which the Offeror and the parties acting in concert with it are interested), the total value of the Offer shall be HK\$252,034,200. As at the date of this joint announcement, Mr. Li and Mr. Tan have given their Irrevocable Share Undertakings with respect to 102,154,000 and 42,000,000 Excluded Shares, respectively, in favour of the Offeror, pursuant to which they have undertaken that they (i) shall not accept the Offer in respect of the Excluded Shares; and (ii) shall not sell, transfer or otherwise dispose of, or charge, pledge or otherwise encumber, or grant any option or other right over the Excluded Shares, and (iii) shall not otherwise make the Excluded Shares available for acceptance under the Offer. Therefore, the number of Offer Shares subject to the Offer will be 314,090,000 Shares. On the basis of the Offer Price of HK\$0.55 per Offer Share and these 314,090,000 Offer Shares, in the event that the Offer is accepted in full, the aggregate amount payable by the Offeror under the Offer will be HK\$172,749,500 (assuming that there is no change in the total number of issued Shares from the date of this joint announcement up to the Closing Date).

Irrevocable Share Undertakings and Irrevocable Option Undertakings

As at the date of this joint announcement, Mr. Li holds 102,154,000 Shares and Mr. Tan holds 42,000,000 Shares, representing approximately 9.09% and 3.74%, respectively of the entire issued share capital of the Company. As at the date of this joint announcement, Mr. Li and Mr. Tan have respectively given their Irrevocable Share Undertaking in favour of the Offeror, pursuant to which they have undertaken that they (i) shall not accept the Offer in respect of the Excluded Shares; (ii) shall not sell, transfer or otherwise dispose of, or charge, pledge or otherwise encumber, or grant any option or other right over the Excluded Shares, and (iii) shall not otherwise make the Excluded Shares available for acceptance under the Offer.

As at the date of this joint announcement, the Independent Option Holders held in aggregate 142,706,000 outstanding Share Options, and they have respectively given Irrevocable Option Undertakings in favour of the Offeror, pursuant to which they have undertaken not to accept the offer in relation to the Excluded Options or exercise the rights attaching to the Excluded Options from the date of the Irrevocable Option Undertakings until the Closing Date.

Confirmation of Financial Resources

Based on the Offer Price of HK\$0.55 per Offer Share and 314,090,000 Offer Shares (being 458,244,000 Offer Shares under the Offer less those 144,154,000 Excluded Shares which are subject to the Irrevocable Share Undertakings), the total maximum consideration of the Offer will be HK\$172,749,500 (assuming the Offer is accepted in full and there is no change in the share capital of the Company from the date of this joint announcement up to the Closing Date).

The acquisition of the Offer Shares pursuant to the Offer will be financed by internal resources of the Offeror and the loan facility provided by Kingston Securities. As at the date of this joint announcement, a loan facility has been provided by Kingston Securities which may be used by the Offeror for the purpose of acquisition of the Offer Shares under the Offer and which is to be secured by, among others, the Sale Shares acquired and the Offer Shares to be acquired by the Offeror in the Offer.

Kingston Corporate Finance, the financial adviser to the Offeror, is satisfied that sufficient financial resources are available to the Offeror to satisfy the consideration payable in respect of full acceptance of the Offer as described above.

Effect of Accepting 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.

Acceptance of the Offer by any Independent Shareholder will be deemed to constitute a warranty by such person that all the Shares to be sold by such person under the Offer will be free from all liens, charges, options, claims, equities, adverse interests, rights of pre-emption and any other third-party rights or encumbrances of any nature whatsoever and together with all rights accruing or attaching thereto, including, without limitation, the right to receive in full all dividends and other distributions declared, made or paid, if any, by reference to a record date on or after the date on which the Offer is made, that is, the date of posting of the Composite Document. As at the date of this joint announcement, no dividend or distribution has been declared by the Company and it is advised by the Board that no dividend is expected to be made, declared or paid from the date of this joint announcement to the Closing Date.

All Independent Shareholders are reminded to read the recommendations of the Independent Board Committee and the advice of the Independent Financial Adviser in respect of the Offer which will be included in the Composite Document.

Conditions of the Offer

The Offer will be unconditional in all respects when they are made and will not be conditional upon acceptances being received in respect of a minimum number of Shares or any other conditions.

Payment

Payment in cash in respect of acceptance of the Offer would be made as soon as possible but in any event within seven (7) Business Days 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 any of the Offer complete and valid.

No fractions of a cent (HK\$) will be payable and the amount of the consideration payable to an Independent Shareholder who accepts the Offer will be rounded up to the nearest cent (HK\$).

Hong Kong stamp duty

The vendor's ad valorem stamp duty arising from acceptances of the Offer will be payable by each Independent Shareholder at the rate of 0.1% of (i) the market value of the Offer Shares; or (ii) the consideration payable by the Offeror for such Independent Shareholder's Shares, whichever is higher, and will be deducted from the cash amount due to such accepting Independent Shareholder. The Offeror will pay the buyer's ad valorem stamp duty and will account to the Stamp Office of Hong Kong for all stamp duty payable on the sale and purchase of Shares in respect of which valid acceptances are received under the Offer.

Taxation advice

The Independent Shareholders are recommended to consult their own professional advisers as to the taxation implications of accepting or rejecting the Offer. The Offeror, Kingston Corporate Finance, Kingston Securities, and the Company accept no responsibility for any taxation effects on, or liabilities of, any persons as a result of their acceptance or rejection of the Offer.

Overseas Independent Shareholders

The making of the Offer to persons who are not Hong Kong residents may be affected by the laws and regulations of the relevant jurisdictions. Such persons should inform themselves about and observe any applicable legal, tax and regulatory requirements in their own jurisdictions. It is the responsibility of any overseas Independent Shareholders wishing to accept the Offer to satisfy themselves as to the full observance of the laws of the relevant jurisdictions in connection with the Offer, including obtaining any governmental, exchange control or other consents which may be required, or compliance with other necessary formalities and the payment of any issue, transfer or other taxes due in such jurisdiction.

Any acceptance by any overseas Independent Shareholders will be deemed to constitute a representation and warranty from such overseas Independent Shareholders to the Offeror that the laws and regulations of the relevant jurisdictions have been complied with. The overseas Independent Shareholders should consult their professional advisers if in doubt. Independent Shareholders who are in doubt as to the action they should take should consult a licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant or other professional advisers.

(C) SHAREHOLDING STRUCTURE OF THE COMPANY

Set out below is the shareholding structure of the Company (i) immediately prior to Completion; and (ii) upon Completion and as the date of this joint announcement but before the Offer is made.

	Immediately prior to Completion		Upon Completion and as the date of this joint announcement but before the Offer is made	
	<i>Number of Shares</i>	<i>Approximate %</i>	<i>Number of Shares</i>	<i>Approximate %</i>
The Vendor	356,876,000	31.76%	—	—
Mr. Li Ren, a non- executive Director	102,154,000	9.09%	102,154,000	9.09%
The Offeror and parties acting in concert with it				
— The Offeror	86,262,000	7.67%	443,138,000	39.43%
— Rapid Raise	<u>222,418,000</u>	<u>19.79%</u>	<u>222,418,000</u>	<u>19.79%</u>
Subtotal	308,680,000	27.46%	665,556,000	59.22%
Public Shareholders	<u>356,090,000</u>	<u>31.69%</u>	<u>356,090,000</u>	<u>31.69%</u>
Total	<u>1,123,800,000</u>	<u>100.00%</u>	<u>1,123,800,000</u>	<u>100.00%</u>

(D) INFORMATION OF THE GROUP

Principal Activities

The Company is incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange. The Group is principally engaged in sales of apparel products with the provision of supply chain management total solutions to customers.

Financial Information

The following table is a summary of certain audited consolidated financial information of the Group for the two financial years ended 31 March 2018 and 31 March 2019 and the consolidated net asset value of the Group as at 31 March 2019 and 30 September 2019.

	As at 31 March 2019	As at 30 September 2019
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(audited)	(unaudited)
Net assets	170,882	127,379
	Year ended 31 March	
	2018	2019
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(audited)	(audited)
Revenue	279,382	186,519
Profit before income taxes	20,706	18,987
Profit attributable to the owners of the Company	15,688	18,682

(E) INFORMATION ON THE OFFEROR

The Offeror is an investment holding company incorporated in the BVI. Mr. Chen is the sole director and also the legal and beneficial owner of the entire issued share capital of the Offeror.

Mr. Chen Ningdi, has over 20 years of experience in global financial industry. He founded DL securities and DL family office in the years of 2011 and 2012. He subsequently became the responsible officer of DL Securities (HK) Limited for its Type 4 (Advising on Securities) and Type 6 (Advising on Corporate Finance) regulated activities under the SFO from 2012 to 2015, and during the period from 2013 to 2015, he was also the responsible officer of DL Securities (HK) Limited for its Type 1 (Dealing in Securities) regulated activities under the SFO. During the above period, he has substantially involved in numerous projects in global capital market. From February 2015 to August 2015, Mr. Chen held the position as a non-executive director of Greater China Financial Holdings Limited (formerly known as Greater China Holdings Limited) (Stock Code: 431), after which he was re-designated as an executive director and

appointed as the chief executive officer thereof till he resigned in June 2016. Mr. Chen was an executive director and founding member of Great China Strategic Capital and Primus Pacific Partners, both of which are private equity firms. Mr. Chen previously worked for HSBC Global Investment Banking in Hong Kong, Equity-Linked Capital Markets of HSBC Group in London, HSBC Debt Markets Client Group in Hong Kong. Mr. Chen obtained his degree of Bachelor of Arts (Hons) in both Economics and Statistics from the University of Chicago in the year of 2001.

(F) OFFEROR'S INTENTION IN RELATION TO THE GROUP

It is the intention of the Offeror to continue with the Group's existing principal business following the Closing Date. The Offeror intends to retain the majority of the senior management of the Group to continue the business of the Group and will also consider appointing additional Directors with the relevant expertise as and when appropriate. The Offeror has no intention to discontinue the employment of the employees (save for in the ordinary course of business and the proposed changes to the composition of the Board as detailed below) or to dispose of or re-deploy the assets of the Group.

Following the Closing Date, the Offeror will conduct a detailed strategic review of the operations of the Group and formulate feasible business strategies with a view to optimise the value of the Group, which may include but not limited to exploring new business opportunities in financial, supply chain, retail and real estate sectors. As at the date of this joint announcement, the Offeror has no definitive proposal with regard to the injection of any assets or businesses into the Group. Should such corporate actions materialise, further announcement(s) will be made in accordance with the Listing Rules.

Proposed Change to the Board Composition of the Company

The Board currently comprises seven Directors, of whom two are executive Directors, two are non-executive Directors and three are independent non-executive Directors. The Offeror intends to nominate new Directors for appointment to the Board with effect from the earliest time permitted under the Takeovers Code. As at the date of this joint announcement, the Offeror has not reached any final decision as to who will be nominated as new Directors. Any change to the Board will be made in compliance with the Takeovers Code and the Listing Rules and a further announcement will be made accordingly.

(G) MAINTENANCE OF LISTING AND SUFFICIENT PUBLIC FLOAT OF THE COMPANY

The Offeror intends to maintain the listing of the Shares on the Main Board of the Stock Exchange. The Directors and the proposed new Director(s) will jointly and severally undertake to the Stock Exchange to take appropriate steps following the Closing Date to ensure that sufficient public float as required under the Listing Rules exists for the Shares.

The Stock Exchange has stated that if, upon the Closing Date, less than the minimum prescribed percentage applicable to the Company, being 25% of the Shares, 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, it will consider exercising its discretion to suspend trading in the Shares until the prescribed level of public float is restored.

(H) INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

Pursuant to Rule 2.1 of the Takeovers Code, an Independent Board Committee comprising all the non-executive Directors (excluding Mr. Li as the Irrevocable Share Undertaking given by Mr. Li may affect his independence as a member of the Independent Board Committee), namely Ms. Chin Ying Ying, Mr. Chang Eric Jackson, Mr. Choi Sheung Jeffrey and Ms. Luk Huen Ling Claire, has been formed to advise the Independent Shareholders in relation to the Offer as to whether the terms of the Offer are fair and reasonable and whether the Offer is in the interests of the Independent Shareholders as a whole and as to their acceptance thereto.

An Independent Financial Adviser will be appointed to advise the Independent Board Committee in relation to the Offer pursuant to Rule 2.1 of the Takeovers Code. Further announcement(s) will be made upon the appointment of the Independent Financial Adviser.

(I) OTHER ARRANGEMENTS

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

- (a) save for the Irrevocable Share Undertakings and the Irrevocable Option Undertakings, neither the Offeror, Mr. Chen nor any person acting in concert with any of them has received any irrevocable commitment whether to accept the Offer;
- (b) save for the 665,556,000 Shares held by the Offeror and 10,115,000 outstanding Share Options held by Ms. Jiang as at the date of this joint announcement, neither the Offeror, Mr. Chen nor any person acting in concert with any of them owns or has control or direction over any voting rights or rights over the Shares, options, derivatives, warrants or other securities convertible into Shares;
- (c) save for the Sale and Purchase Agreement, there are no arrangements (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 or the shares of the Offeror which might be material to the Offer;
- (d) there are no agreements or arrangements to which the Offeror (nor any person acting in concert with it) is a party which relates to the circumstances in which it may or may not invoke or seek to invoke a pre-condition or a condition to the Offer;
- (e) there is no understanding, arrangement, agreement or special deal (as defined under Rule 25 of the Takeovers Code) between the Offeror, Mr. Chen and parties acting in concert with any of them on the one hand, and the Vendor, Mr. Cheung and parties acting in concert with any of them;

- (f) save for the Irrevocable Share Undertakings, there is no understanding, arrangement, agreement or special deal between (1) any Shareholder; and (2)(a) the Offeror, Mr. Chen and any party acting in concert with any of them, or (b) the Company, its subsidiaries or associated companies;
- (g) other than the consideration paid by the Offeror to the Vendor under the Sale and Purchase Agreement, there is no other consideration, compensation or benefit in whatever form paid or to be paid by the Offeror, Mr. Chen or any parties acting in concert with any of them to the Vendor, Mr. Cheung or any party acting in concert with any of them in connection with the sale and purchase of the Sale Shares; and
- (h) there are no relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company which the Offeror (or any person acting in concert with it) has borrowed or lent, save for any borrowed shares which have been either on-lent or sold.

(J) INTEREST IN SHARES

Save for the acquisition of the Sale Shares, for the six months immediately prior to the Last Trading Day, the Offeror, Mr. Chen and parties acting in concert with any of them had dealt in the Shares or derivatives in respect of securities of the Company as follows:

Name of the person dealing in the Shares or derivatives in respect of securities of the Company	Nature of dealing	Dealing date	Number of Shares or derivatives in respect of securities of the Company being dealt with	Price per Share (HK\$)
DA Capital Management Limited (note 1)	Purchase	3 July 2019	9,730,000	0.490
DA Capital Management Limited (note 1)	Purchase	3 July 2019	270,000	0.495
DA Equity Partners Limited (note 2)	Purchase	27 November 2019	13,100,000	0.510
DA Equity Partners Limited (note 2)	Purchase	3 December 2019	3,000,000	0.520
The Offeror	Purchase	12 December 2019	11,270,000	0.530
Rapid Raise	Purchase	13 December 2019	208,000	0.520
Rapid Raise	Purchase	13 December 2019	9,192,000	0.530
The Offeror	Purchase	17 December 2019	14,428,000	0.540
The Offeror	Purchase	17 December 2019	272,000	0.550
The Offeror	Purchase	23 December 2019	60,292,000	0.550
Rapid Raise	Purchase	23 December 2019	<u>5,400,000</u>	0.550
		Total:	<u>127,162,000</u>	
Jiang Xinrong (note 3)	Grant of Share Options	15 August 2019	10,115,000	N/A

Notes:

- (1) DA Capital Management Limited (“**DACML**”) was disposed by Mr. Chen (as the ultimate beneficial owner of DACML) on 19 December 2019 to a purchaser that is an Independent Third Party and not a party acting in concert with the Offeror (the “**Disposal**”). Immediately prior to the Disposal, DACML was indirectly wholly owned by Mr. Chen. Upon the Disposal and up to the date of this joint announcement, the Offeror and parties acting in concert with it hold no share interest in DACML.
- (2) DA Equity Partners Limited is a wholly owned subsidiary of Rapid Raise. All the Shares held by DA Equity Partners Limited were subsequently transferred to Rapid Raise at nil consideration in December 2019 as a result of an internal reallocation.
- (3) As disclosed in this joint announcement, Ms. Jiang, a party acting in concert with the Offeror, was granted the Share Options on 15 August 2019, pursuant to which Ms. Jiang is entitled to subscribe for 10,115,000 Shares under the Share Option Scheme at the subscription price of HK\$0.476 per Share. As at the date of this joint announcement, Ms. Jiang has not exercised any right attaching thereto.

(K) DISCLOSURE OF DEALINGS

Respective associates (as defined in the Takeovers Code, including among others, shareholders of the Company having interests of 5% or more in any class of relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code)) of the Company and the Offeror are reminded to disclose their dealings in any relevant securities of the Company pursuant to the requirements 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 of the Takeovers Code 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 of the Takeovers Code. 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 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.”

(L) DESPATCH OF THE COMPOSITE OFFER DOCUMENT

It is the intention of the respective board of directors 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, the Offeror is required to despatch the Composite Document setting out, among other things, terms of the Offer, the recommendations of the Independent Board Committee to the Independent Shareholders in respect of the Offer, the letter of advice of the Independent Financial Adviser to the Independent Board Committee in respect of the Offer, along with a form of acceptance and transfer of the Shares in respect of the Offer and a form of acceptance to the Independent Shareholders within 21 days of the date of this joint announcement (or such later date as the Executive may approve). An expected timetable in relation to the Offer will be included in the Composite Document.

(M) 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 13 January 2020 pending the release of this joint announcement. Application has been made by the Company for the resumption of trading in the Shares with effect from 9:00 a.m. on 20 January 2020.

WARNING

The Directors make no recommendation as to the fairness or reasonableness of the Offer or as to the acceptance of the Offer in this joint announcement, and strongly recommend the Independent Shareholders not to form a view on the Offer unless and until they have received and read the Composite Document, including the recommendations of the Independent Board Committee in respect of the Offer and a letter of advice from the Independent Financial Adviser.

The Independent Shareholders and potential investors of the Company should exercise extreme caution when dealing in the relevant securities of the Company. Persons who are in doubt as to the action they should take should consult a licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant or other professional advisers.

DEFINITIONS

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

“acting in concert”	has the meaning given to it in the Takeovers Code, and “persons acting in concert” and “concert parties” should be construed accordingly
“associate(s)”	has the meaning given to it in the Takeovers Code
“Board”	the board of Directors
“Business Day”	a day on which the Stock Exchange is open for the transaction of business
“BVI”	the British Virgin Islands
“Closing Date”	the date to be stated in the Composite Document as the closing date of the Offer or any subsequent closing date as may be announced by the Offeror and approved by the Executive
“Company”	Season Pacific Holdings Limited, a company incorporated under the law of the Cayman Islands with limited liability and the shares of which are listed on the Main Board of the Stock Exchange
“Completion”	completion of the Sale and Purchase Agreement
“Composite Document”	the composite offer and response document (together with the relevant forms of acceptance and transfer) to be issued jointly by the Offeror and the Company to all the Independent Shareholders in accordance with the Takeovers Code containing, among other things, the detailed terms of the Offer
“Director(s)”	the director(s) of the Company from time to time
“Excluded Options”	in aggregate 142,706,000 Share Options held by the Independent Option Holders
“Excluded Shares”	in aggregate 144,154,000 Offer Shares held by Mr. Li and Mr. Tan
“Executive”	the Executive Director of the Corporate Finance Division of the SFC, or any delegate of the Executive Director
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	the independent committee of the Board comprising all the non-executive Directors (other than Mr. Li) established for the purpose of advising the Independent Shareholders in relation to the Offer and the acceptance thereto
“Independent Third Party(ies)”	independent third party(ies) who is/are not connected person(s) of the Company
“Irrevocable Option Undertakings”	the irrevocable undertakings entered into between each of the Independent Option Holders with the Offeror not to accept the offer for the Excluded Options
“Irrevocable Share Undertakings”	the irrevocable undertakings entered into between each of Mr. Li and Mr. Tan, with the Offeror not to accept the Offer
“Independent Option Holders”	the holders of outstanding Share Options other than Ms. Jiang
“Independent Shareholder(s)”	the Shareholders other than the Offeror, Mr. Chen and parties acting in concert with any of them
“Kingston Corporate Finance”	Kingston Corporate Finance Limited, a licensed corporation to carry out Type 6 (advising on corporate finance) regulated activities under the SFO, the financial adviser to the Offeror in respect of the Offer
“Kingston Securities”	Kingston Securities Limited, a licensed corporation to carry out Type 1 (dealing in securities) regulated activities under the SFO
“Independent Financial Adviser”	the independent financial adviser to be appointed by the Independent Board Committee to advise the Independent Board Committee in relation to the Offer
“Last Trading Day”	10 January 2020, being the last full trading day prior to the publication of this joint announcement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Main Board”	the stock exchange (excluding the option market) operated by the Stock Exchange which is independent from and operated in parallel to GEM of the Stock Exchange
“Mr. Chen”	Mr. Chen Ningdi, the sole director and sole shareholder of the Offeror

“Mr. Cheung”	Mr. Cheung Lui, the chairman of the Board and the chief executive officer of the Company and an executive Director
“Mr. Li”	Mr. Li Ren, a non-executive Director
“Mr. Tan”	Mr. Tan Qunzhao
“Ms. Jiang”	Ms. Jiang Xinrong, the spouse of Mr. Chen, and an executive Director
“Offer”	the mandatory unconditional cash offer to be made by the Kingston Securities for and on behalf of the Offeror to acquire the Offer Shares in accordance with the requirements of the Takeovers Code
“Offer Price”	HK\$0.55 per Share under the Offer
“Offer Share(s)”	all of the issued Share(s) (other than those Share(s) already owned by or agreed to be acquired by the Offeror and parties acting in concert with it)
“Offeror”	DA Wolf Investments I Limited, a business company incorporated in the BVI
“PRC”	the People’s Republic of China, for the purpose of this joint announcement, excluding Hong Kong, the Special Administrative Region of Macau of the People’s Republic of China and Taiwan
“Rapid Raise”	Rapid Raise Investment Limited, a company incorporated in the BVI, of which the entire issued share capital is held by DL Global Holdings Limited. DL Global Holdings Limited is a company incorporated in the BVI, of which approximately 30% of the issued share capital is held by Mr. Chen, approximately 36.6% of the issued share capital is held by Ms. Jiang, and the remaining approximately 33.4% of the issued share capital is held by seven individuals
“Sale and Purchase Agreement”	the sale and purchase agreement dated 13 January 2020 entered into between the Vendor and the Offeror in relation to the sale and purchase of the Sale Shares
“Sale Shares”	a total of 356,876,000 Shares acquired by the Offeror from the Vendor pursuant to the Sale and Purchase Agreement
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong)

“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	shareholder(s) of the Company
“Share Option(s)”	means the share option(s) granted by the Company as at the date of this joint announcement pursuant to the Share Option Scheme
“Share Option Scheme”	the share option scheme adopted on 22 September 2015 which entitles the holders of the Share Options to subscribe for Shares in accordance with the terms and conditions thereof
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Code on Takeovers and Mergers published by the SFC
“Vendor”	Alpha Direct Investments Limited, a business company incorporated in the BVI, which is wholly owned by Mr. Cheung
“%”	per cent

By order of the Board
Season Pacific Holdings Limited
Cheung Lui
*Chairman, Chief Executive Officer and
Executive Director*

By order of the Board
DA Wolf Investments I Limited
Chen Ningdi
Sole Director

Hong Kong, 17 January 2020

As at the date of this joint announcement, the executive Directors are Mr. Cheung Lui and Ms. Jiang Xinrong, the non-executive Directors are Ms. Chin Ying Ying and Mr. Li Ren; and the independent non-executive Directors are Mr. Chang Eric Jackson, Mr. Choi Sheung Jeffrey and Ms. Luk Huen Ling Claire.

As at the date of this joint announcement, Mr. Chen Ningdi is the sole director of the Offeror.

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 Sale and Purchase Agreement and the Offeror) and confirm, having made all reasonable enquires, that to the best of their knowledge, opinions expressed in this joint announcement (other than those expressed by the Offeror or any director of 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 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 Group or the Directors) and confirm, having made all reasonable enquires, that to the best of their knowledge, opinions expressed in this joint announcement (other than those expressed by the Group or 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 purposes only*