



*To the Independent Shareholders*

27 February 2020

Dear Sirs,

**MANDATORY UNCONDITIONAL CASH OFFER BY  
KINGSTON SECURITIES LIMITED FOR AND  
ON BEHALF OF DA WOLF INVESTMENTS I LIMITED  
TO ACQUIRE ALL THE ISSUED SHARES IN  
SEASON PACIFIC HOLDINGS LIMITED  
(OTHER THAN THOSE ALREADY OWNED  
BY THE OFFEROR AND PARTIES ACTING IN CONCERT WITH IT)**

**1. INTRODUCTION**

Reference is made to the Joint Announcement dated 17 January 2020 where the Vendor (as vendors) and the Offeror (as purchaser) entered into the Sale and Purchase Agreement, pursuant to which the Vendor conditionally agreed to sell and the Offeror 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 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 Latest Practicable Date.

Completion took place on 13 January 2020 in accordance with the terms of the Sale and Purchase Agreement. Immediately following Completion and as at the Latest Practicable Date, 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 Latest Practicable Date, 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 an offer to acquire all 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.

This letter sets out, among other things, the details of the Offer, information on the Offeror and the intention of the Offeror regarding the Group. The terms of the Offer and the procedures of acceptances are set out in Appendix I "FURTHER TERMS AND PROCEDURES FOR ACCEPTANCE OF THE OFFER" to this Composite Document and the accompanying Form of Acceptance.

The Independent Shareholders are strongly advised to carefully consider the information contained in the “LETTER FROM THE BOARD”, “LETTER FROM THE INDEPENDENT BOARD COMMITTEE” and “LETTER FROM VINCO CAPITAL” as set out in this Composite Document before reaching a decision as to whether or not to accept the Offer.

## 2. THE OFFER

Kingston Securities, for and on behalf of the Offeror, makes the Offer to all the Independent Shareholders for all the issued Shares (other than those Shares already owned by the Offeror and parties acting in concert with it) in compliance with Rule 26.1 of the Takeovers Code on the following basis:

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 Offer is unconditional in all respects and is extended to all Shares in issue (other than those already owned by the Offeror and the parties acting in concert with it) on the date of despatch of this Composite Document. The Offer Shares to be acquired under the Offer shall be fully paid and shall be acquired free from all Encumbrances, rights of pre-emption and any other third party rights of any nature and together with all rights attaching thereto on the date on which the Offer is made or subsequently becoming attached to them, including the right to receive in full all dividends and other distributions, if any, declared, made or paid on or after the date on which the Offer is made, being the date of posting of this Composite Document.

Save for the Irrevocable Undertakings, the Offeror has not received any indication or irrevocable commitment from any Shareholder that he/she/it will accept or reject the Offer as at the Latest Practicable Date.

### Comparison of value

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

- (i) a discount of approximately 14.06% to the closing price of HK\$0.640 per Share as quoted on the Stock Exchange on the Latest Practicable Date;
- (ii) 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;
- (iii) 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;
- (iv) 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;

- (v) 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;
- (vi) 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
- (vii) 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 Latest Practicable Date.

### **Highest and lowest Share prices**

During the Relevant Period, the highest closing price of the Shares as quoted on the Stock Exchange was HK\$0.7 on 20 January 2020 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.

### **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 Latest Practicable Date, 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 Latest Practicable Date up to the Closing Date).

As at the Latest Practicable Date, 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 Latest Practicable Date 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 Latest Practicable Date, 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 Latest Practicable Date up to the Closing Date).

### **Irrevocable Share Undertakings and Irrevocable Option Undertakings**

As at the Latest Practicable Date, 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 Latest Practicable Date, 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 Latest Practicable Date, 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 Latest Practicable Date 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 Latest Practicable Date, the 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.

The Offeror has confirmed that it does not intend that the payment of interest on, repayment of or provision of security for any liability (contingent or otherwise) under the Facility will depend to any significant extent on the business of the Company.

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.

## **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\$).

## **Conditions of the Offer**

The Offer is unconditional in all respects and is not conditional upon acceptances being received in respect of a minimum number or any other conditions.

## **Effect of accepting the Offer**

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

Acceptances of the Offer by any Independent Shareholders will be deemed to constitute a warranty by such person that all the Shares to be sold by such person under the Offer will be free from all Encumbrances 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 is a record date on or after the date on which the Offer is made, being the date of posting of this Composite Document. As at the Latest Practicable Date, 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 Composite Document to the Closing Date.

## **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.

### Further terms of the Offer

Further terms of the Offer including, among other things, procedures for acceptance and settlement, the acceptance period and taxation matters are set out in Appendix I “FURTHER TERMS AND PROCEDURES FOR ACCEPTANCE OF THE OFFER” to this Composite Document and in the accompanying Form of Acceptance.

### 3. SHAREHOLDING STRUCTURE OF THE COMPANY

The following table sets out the shareholding structure of the Company (i) immediately prior to Completion; (ii) immediately after Completion and as at the Latest Practicable Date but before the Offer is made:

	Immediately prior to Completion		Immediately after Completion and as at the Latest Practicable Date 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>

### 4. INFORMATION ON THE GROUP

Information on the Group is set out in the paragraph headed “3. Information on the Group” in the “LETTER FROM THE BOARD” in this Composite Document.

## **5. INFORMATION ON THE OFFEROR**

The Offeror is an investment holding company incorporated in BVI with limited liability. It is principally engaged in investment holding and holds in aggregate of 443,138,000 Shares as at the Latest Practicable Date. As at the Latest Practicable Date, Mr. Chen is the sole director and also the legal and beneficial owner of the entire issued share capital of the Offeror.

Detailed information of Mr. Chen is set out under the sub-paragraph headed “Proposed change of the Board composition” of the paragraph headed “Intention of the Offeror in Relation to the Group” in this letter.

## **6. INTENTION OF THE OFFEROR IN RELATION TO THE GROUP**

Immediately after the Completion, the Offeror became the Controlling Shareholder of the Company.

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. In addition, neither the Offeror nor Mr. Chen has any intention, understanding, negotiation or arrangement (concluded or otherwise) to downsize, cease or dispose of any of the existing businesses or 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 Latest Practicable Date, the Offeror has no definitive proposal with regard to the injection of any assets or businesses into the Group, and the Company has not formed any particular plan, strategy or identified target regarding its future development. Should such corporate actions materialise, further announcement(s) will be made in accordance with the Listing Rules.

### **Proposed change of the Board composition**

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.

While maintaining the existing members of the Board, the Offeror intends to nominate Mr. Chen as the new executive Director of the Company and such appointments will take effect after the despatch of this Composite Document. Any changes to the Board will be made in compliance with the Takeovers Code and the Listing Rules and a separate announcement will be made in this regard as and when appropriate.

Mr. Chen Ningdi, aged 41, 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.

Save as mentioned above, during the three years preceding the Latest Practicable Date, Mr. Chen did not hold any directorship in any public companies whose securities are listed on a stock exchange or any other major appointments.

Your attention is also drawn to the paragraph headed “7. Proposed Re-designation of Ms. Jiang as Chairlady” in the “LETTER FROM THE BOARD” in this Composite Document.

## **7. COMPULSORY ACQUISITION**

The Offeror does not intend to avail itself of any power of compulsory acquisition of any Shares not acquired under the Offer after the close of the Offer.

## **8. MAINTAINING THE LISTING STATUS OF THE COMPANY**

The Offeror intends the Company to remain listed on the Stock Exchange. The Directors and new director(s) to be appointed to the Board have jointly and severally undertaken to the Stock Exchange to take appropriate steps to ensure that sufficient public float exists in Shares after the Closing Date.

The Stock Exchange has stated that if, at the close 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:



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

it will consider exercising its discretion to suspend dealings in the Shares.

The Offeror intends the Company to remain listed on the Stock Exchange. Mr. Chen, the sole director of the Offeror and also the new Director to be appointed to the Board as nominated by the Offeror, will undertake to the Stock Exchange to take appropriate steps to ensure that sufficient public float exists in the Shares. In addition, the Directors will jointly and severally undertake to the Stock Exchange to take appropriate steps while they remain on the Board to ensure that sufficient public float exists in the Shares.

Therefore, in the event that the public will hold less than 25% of the Shares upon closing of the Offer, the Offeror intends to dispose of such number of Shares through placing to ensure that the public float requirement under the Listing Rules can be met as soon as practicable after close of the Offer. Further announcement(s) will be made in this regard as and when appropriate in compliance with the Listing Rules.

## **9. IMPORTANT NOTE TO OVERSEAS INDEPENDENT SHAREHOLDERS**

The Offer is made in respect of securities of a company incorporated in the Cayman Islands and is subject to the statutory procedural and disclosure requirements of Hong Kong, which may be different from those of other jurisdictions.

The Offeror intends to make the Offer available to all Independent Shareholders, including those with registered addresses, as shown in the register of members of the Company, outside Hong Kong. The availability of the Offer to persons not resident in Hong Kong and the ability of Overseas Independent Shareholders to participate in the Offer will however be subject to, and may be limited by, the laws and regulations of their respective jurisdictions.

The Composite Document will not be filed under any laws or rules of any jurisdiction other than Hong Kong. The Offeror intends to make the Offer available to all Independent Shareholders, including the Overseas Independent Shareholders. The availability of the Offer to any Overseas Independent Shareholders may however be affected by the applicable laws and regulations of their relevant jurisdictions of residence. Overseas Independent Shareholders should observe any applicable legal and regulatory requirements and, where necessary, consult their own professional advisers. It is the sole responsibilities of the Overseas Independent 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 Overseas Independent Shareholders in respect of such jurisdictions).

Any acceptance by any Overseas Independent Shareholder will be deemed to constitute a representation and warranty from such Overseas Independent Shareholder that such person (i) is permitted under all applicable laws to receive and accept the Offer, and any revision thereof,

(ii) has observed all the applicable laws and regulations of the relevant jurisdiction in connection with such acceptance, including obtaining any government or other consent which may be required, and (iii) has complied with any other necessary formality and has paid any issue, transfer or other taxes due in such jurisdiction, and that such acceptance shall be valid and binding in accordance with all applicable laws. The Overseas Independent Shareholders should consult their professional advisers if in doubt.

## **10. TAX IMPLICATIONS**

The Independent Shareholders are recommended to consult their own professional advisers if they are in any doubt as to the tax implications that may arise from accepting the Offer. It is emphasised that the Offeror and parties acting in concert with any of them, the Company, Kingston Corporate Finance, Kingston Securities, Vinco Capital, the Registrar, the company secretary of the Company, any of their respective ultimate beneficial owners, directors, officers, agents, professional advisers and other parties involved in the Offer do not accept any responsibility for any tax effect on, or liabilities of, the Independent Shareholders a result of their acceptance or rejection of the Offer.

## **11. ACCEPTANCE AND SETTLEMENT**

Your attention is drawn to the further details regarding the procedures for acceptance and settlement and acceptance period as set out in Appendix I “FURTHER TERMS AND PROCEDURES FOR ACCEPTANCE OF THE OFFER” to this Composite Document and the accompanying Form of Acceptance.

## **12. GENERAL**

To ensure equality of treatment of all Independent Shareholders, those registered Independent Shareholders who hold the Shares as nominee for more than one beneficial owner should, as far as practicable, treat the holding of each beneficial owner separately. It is essential for the beneficial owners of the Shares whose investments are registered in the names of nominees to provide instructions to their nominees of their intentions with regard to the Offer.

Attention of the Overseas Independent Shareholders is drawn to the “IMPORTANT NOTICE” and the paragraph headed “7. Overseas Independent Shareholders” in Appendix I to this Composite Document.

All documents and remittances to be sent to the Independent Shareholders and will be sent to them by ordinary post at their own risk. Such documents and remittances will be sent to the Independent Shareholders at their respective addresses as they appear in the register of members of the Company or in the case of joint holders, to such Independent Shareholder whose name appears first in the register of members of the Company. The Offeror and parties acting in concert with it, the Company, Kingston Corporate Finance, Kingston Securities, Vinco Capital, the Registrar, the company secretary of the Company, any of their respective ultimate beneficial owners, directors, officers, agents, professional advisers and other parties

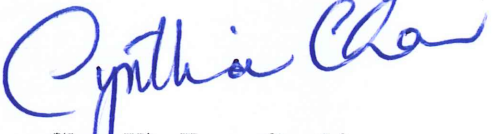
involved in the Offer will not be responsible for any loss or delay in transmission of such documents and remittances or any other liabilities that may arise as a result thereof or in connection therewith.

### **13. ADDITIONAL INFORMATION**

Your attention is drawn to the additional information set out in the appendices to this Composite Document which form part of this Composite Document. You are reminded to carefully read the "LETTER FROM THE BOARD", the advice of the Independent Board Committee, the recommendation of the Independent Financial Adviser and other information about the Group which are set out in this Composite Document before deciding whether or not to accept the Offer.

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Yours faithfully,  
For and on behalf of  
**Kingston Securities Limited**



**Chan Yin Tong, Cynthia**  
*Director*