

# SEASON PACIFIC HOLDINGS LIMITED

雲裳衣控股有限公司\*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1709)

*Executive Directors:*

Mr. Cheung Lui  
Ms. Jiang Xinrong

*Non-executive Directors:*

Ms. Chin Ying Ying  
Mr. Li Ren

*Independent Non-executive Directors:*

Mr. Chang Eric Jackson  
Mr. Choi Sheung Jeffrey  
Ms. Luk Huen Ling Claire

*Registered Office:*

Cricket Square, Hutchins Drive  
P.O. Box 2681  
Grand Cayman KY1-1111  
Cayman Islands

*Principal place of business in Hong Kong:*

5/F, AIA Financial Centre  
112 King Fuk Street  
San Po Kong  
Kowloon  
Hong Kong

27 February 2020

*To the Independent Shareholders*

Dear Sir/Madam,

## MANDATORY UNCONDITIONAL CASH OFFER BY



**KINGSTON SECURITIES**

**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 made jointly by the Company and the Offeror in relation to, among other matters, (i) the Acquisition of the Sale Shares, and (ii) the unconditional mandatory cash Offer to acquire all of the issued Shares (other than those already owned by the Offeror and parties acting in concert with it). Terms used in this letter shall have the same meanings as those defined in this Composite Document unless the context otherwise requires.

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 conditionally agreed to sell and the Offeror conditionally agreed to acquire Vendor 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, and the total consideration of HK\$196,281,800 has been paid by the Offeror upon Completion.

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 Latest Practicable Date, 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 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 as 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 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.

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.

On 23 January 2020, Vinco Capital was appointed as the Independent Financial Adviser with the approval of the Independent Board Committee 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 each of the acceptance of the Offer.

The purpose of this Composite Document is to provide you with, among other things, information relating to the Group, the Offeror and the Offer as well as setting out the letter from the Independent Board Committee containing its recommendation to the Independent Shareholders in respect of the terms of the Offer and as to acceptance of the Offer, and the letter from Vinco Capital containing its advice and recommendation to the Independent Board Committee in respect of the terms of the Offer and as to acceptance of the Offer.

## 2. THE 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 Latest Practicable Date, 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 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 as at the Latest Practicable Date, and (b) 10,115,000 outstanding Share Options with exercise price at HK\$0.476 per Share.

Accordingly, pursuant to Rule 26.1 of the Takeovers Code, the Offeror is required to make a mandatory unconditional cash offer for all the issued Shares (other than those already owned by it 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 all classes of “relevant securities” (as defined in note 4 to Rule 22 of the Takeovers Code) issued by the Company and the numbers of such securities in issue as at the Latest Practicable Date are as follows:

- (a) a total of 1,123,800,000 Shares in issue in the share capital of the Company; and
- (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.

As at the Latest Practicable Date, save as disclosed above, the Company has no outstanding securities, options, derivatives or warrants which are convertible or exchangeable into Shares and the Company has no other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code).

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.

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).

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. As a result of the Irrevocable Option Undertakings from each of the Independent Option Holders above, no offer will be made for the Excluded Options under Rule 13.5 of the Takeovers Code.

### **Principal Terms of the Offer**

#### *The Offer*

Kingston Securities, 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 is unconditional in all respects and is extended to all Shares in issue (other than those already owned by the Offeror and parties acting in concert with it) on the date of despatch of this Composite Document. The 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 to them 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 this Composite Document.

Save as 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.

**Warning: Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares. If Shareholders and potential investors of the Company have any doubt about their position, they should consult their professional advisers.**

Further details of the Offer, including terms and procedures for acceptance and settlement of the Offer, are contained in the “LETTER FROM KINGSTON SECURITIES” as set out on pages 10 to 20 of, and Appendix I “FURTHER TERMS AND PROCEDURES FOR ACCEPTANCE OF THE OFFER” to, this Composite Document and the accompanying Form of Acceptance.

### 3. INFORMATION ON THE GROUP

The Company is incorporated in the Cayman Islands with limited liability, and the Shares of which are currently listed on the Main Board of the Stock Exchange (stock code: 1709). The Company is an investment holding company and its subsidiaries are principally engaged in sales of apparel products with the provision of supply chain management total solutions to customers and provision of financial services.

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, respectively.

	<b>As at 31 March 2019</b>	<b>As at 30 September 2019</b>
	<i>HK\$'000</i> (audited)	<i>HK\$'000</i> (unaudited)
Net assets	170,882	127,379
	<b>Year ended 31 March</b>	
	<b>2018</b>	<b>2019</b>
	<i>HK\$'000</i> (audited)	<i>HK\$'000</i> (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

Further details of the Group are set out in Appendix II “FINANCIAL INFORMATION OF THE GROUP” and Appendix IV “GENERAL INFORMATION OF THE GROUP” to this Composite Document.

### 4. INFORMATION ON THE OFFEROR

Your attention is drawn to the paragraph headed “5. Information on the Offeror” in the “LETTER FROM KINGSTON SECURITIES” and Appendix III “GENERAL INFORMATION OF THE OFFEROR” to this Composite Document.

## **5. OFFEROR'S INTENTION IN RESPECT OF THE GROUP**

Your attention is drawn to the paragraphs headed "5. Information on the Offeror" and "6. Intention of the Offeror in Relation to the Group" in the "LETTER FROM KINGSTON SECURITIES" in this Composite Document. The Board is pleased with the Offeror's intention in respect of the Group and the employees of the Group and is willing to co-operate with the Offeror in the interests of the Group and the Shareholders as a whole.

## **6. PROPOSED CHANGE OF BOARD COMPOSITION OF THE COMPANY**

Your attention is drawn to the sub-paragraph headed "Proposed change of Board composition" of the paragraph headed "6. Intention of the Offeror in Relation to the Group" in the "LETTER FROM KINGSTON SECURITIES" in this Composite Document. Any change to the Board composition will be made in compliance with the Takeovers Code and the Listing Rules and will be announced accordingly.

## **7. PROPOSED RE-DESIGNATION OF MS. JIANG AS CHAIRLADY**

Mr. Cheung, the existing chairman of the Board and an executive Director, intends to resign as the chairman of the Board while still maintaining his position as an executive Director after the despatch of this Composite Document. The Board intends to nominate Ms. Jiang, a current executive Director, as the new chairlady of the Board. Further announcement(s) will be made by the Company in this regard as and when appropriate or required in accordance with the Listing Rules and/or the Takeovers Code.

Ms. Jiang Xinrong, aged 37, has been appointed as an executive Director with effect from 18 June 2019. Ms. Jiang, obtained a Bachelor Degree of Arts in Communication, International Journalism and English Broadcasting from the Communication University of China in June 2005 and a Master Degree in Media Management and Social Science from the Hong Kong Baptist University in November 2008. Ms. Jiang has years of experience in the financial services industry and media industry. In 2012, Ms. Jiang founded DL Family Office (HK) Limited ("DL Family Office"), which is currently a corporation licensed by the Securities and Futures Commission to conduct Type 4 (advising on securities) and Type 9 (asset management) regulated activities under the SFO. DL Family Office is to provide a total financial solution for high net worth individuals and their families as a multi-family office. Ms. Jiang was a responsible officer of DL Family Office from July 2015 until her resignation in June 2019. Prior to founding DL Family Office, Ms. Jiang was a senior vice president at J.P. Morgan Private Bank's Hong Kong Team from April 2011 to July 2012. Ms. Jiang was a senior vice president of Standard Chartered Private Bank's China Team from July 2010 to April 2011 and an associate of HSBC Private Bank's China Team from May 2008 to July 2010. From November 2003 to February 2008, Ms. Jiang was a television host in Phoenix Television. Ms. Jiang was also the champion of the 2003 Miss Chinese Cosmo Pageant.

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

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

It is stated in the “LETTER FROM KINGSTON SECURITIES” in this Composite Document that the Offeror intends to maintain the listing status of the Company on the Stock Exchange following the close of the Offer.

The Stock Exchange has stated that if, at the close of the Offers, 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 also jointly and severally undertake to the Stock Exchange to take appropriate steps while they remain in 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. SHAREHOLDING STRUCTURE OF THE COMPANY**

Your attention is also drawn to the paragraph headed “3. Shareholding Structure of the Company” in the “LETTER FROM KINGSTON SECURITIES” in this Composite Document.

## **10. TAXATION AND INDEPENDENT ADVICE**

Your attention is drawn to the paragraph headed “10. Taxation Implications” in the “LETTER FROM KINGSTON SECURITIES” in this Composite Document.

None of the Company or any of its Directors or associates or any other person involved in the Offer accepts responsibility for any tax or other effects on, or liabilities of, any person or persons as a result of the implementation or otherwise of the Offer.

Your attention is drawn to (i) the “LETTER FROM THE INDEPENDENT BOARD COMMITTEE” in this Composite Document, which sets out its recommendation to the Independent Shareholders as to whether the terms of the Offer are, or are not, fair and reasonable so far as the Independent Shareholders are concerned, and as to acceptance thereof; and (ii) the “LETTER FROM VINCO CAPITAL” in this Composite Document, which sets out its advice and recommendation to the Independent Board Committee as to whether the terms of the Offer are, or are not, fair and reasonable so far as the Independent Shareholders are concerned, and as to acceptance thereof, and the principal factors considered by it in arriving at its advice and recommendation.

The Independent Shareholders are urged to read those letters carefully before taking any action in respect of the Offer.

## **11. RECOMMENDATION AND ADDITIONAL INFORMATION**

You are advised to read this Composite Document together with the accompanying Form of Acceptance in respect of the acceptance and settlement procedures of the Offer. Your attention is also drawn to the additional information contained in the appendices to this Composite Document.

In considering what action to take in connection with the Offer, you should also consider your own tax positions, if any, and in case of any doubt, consult your professional advisers.

*\* for identification purposes only*



By order of the Board of  
**Season Pacific Holdings Limited**

A handwritten signature in black ink, consisting of a large, stylized 'C' followed by a horizontal line that tapers to the right.

**Cheung Lui**  
*Chairman, Chief Executive Officer and  
Executive Director*