

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

If you are in doubt as to any aspect of the Offer, this Composite Document and/or the accompanying Form of Acceptance or the action to be taken, you should consult a licensed securities dealer or registered institution in securities, a bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Season Pacific Holdings Limited, you should at once hand this Composite Document and the accompanying Form of Acceptance to the purchaser(s) or transferee(s) or to the bank or licensed securities dealer or registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s).

This Composite Document should be read in conjunction with the accompanying Form of Acceptance, the contents of which form part of the terms of the Offer contained herein.

The Stock Exchange of Hong Kong Limited and Hong Kong Exchanges and Clearing Limited take no responsibility for the contents of this Composite Document and the accompanying Form of Acceptance, make no representation as to their 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 Composite Document and the accompanying Form of Acceptance.

**SEASON PACIFIC HOLDINGS LIMITED      DA WOLF INVESTMENTS I LIMITED**

**雲裳衣控股有限公司\***  
(Incorporated in the Cayman Islands  
with limited liability)  
(Stock Code: 1709)

(Incorporated in the British Virgin Islands  
with limited liability)

**COMPOSITE DOCUMENT IN RELATION TO  
MANDATORY UNCONDITIONAL CASH OFFER BY**



**KINGSTON SECURITIES**

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

**Financial adviser to the Offeror**



**KINGSTON CORPORATE FINANCE**

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

**VINCO** 域高

**Vinco Capital Limited**

Capitalised terms used in this cover page shall have the same meanings as those defined in the section headed "DEFINITIONS" in this Composite Document.

A letter from Kingston Securities containing, among other things, details of the terms of the Offer is set out on pages 10 to 20 of this Composite Document. A letter from the Board is set out on pages 21 to 28 of this Composite Document.

A letter from the Independent Board Committee containing its recommendation to the Independent Shareholders in relation to the Offer is set out on pages 29 to 30 of this Composite Document.

A letter from Vinco Capital containing its advice on the Offer to the Independent Board Committee is set out on pages 31 to 49 of this Composite Document.

The procedures for acceptance and settlement of the Offer and other related information 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. Acceptance of the Offer should be received by the Registrar no later than 4:00 p.m. on Thursday, 19 March 2020 or such later time and/or date as the Offeror may determine and announce, in accordance with the requirements under the Takeovers Code.

Persons including, without limitation, custodians, nominees and trustees, who would, or otherwise intend to, forward this Composite Document and/or the accompanying Form of Acceptance to any jurisdiction outside Hong Kong, should read the details in this regard which are contained in the paragraph headed "9. Important Note to Overseas Independent Shareholders" in the "LETTER FROM KINGSTON SECURITIES" in this Composite Document before taking any action. It is the responsibility of each Overseas Independent Shareholder wishing to accept the Offer to satisfy himself/herself/itself as to the full observance of the laws and regulations of the relevant jurisdiction in connection therewith, including the obtaining of any governmental, exchange control or other consents and any registration or filing which may be required and the compliance with all necessary formalities, regulatory and/or legal requirements. Overseas Independent Shareholders are advised to seek professional advice on deciding whether or not to accept the Offer.

The Composite Document will remain on the websites of the Stock Exchange at <http://www.hkexnews.hk> and the Company at <http://www.seasonpacific.com> as long as the Offer remains open.

\* For identification purposes only

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## EXPECTED TIMETABLE

*The expected timetable set out below is indicative only and may be subject to change. Further announcement(s) will be jointly made by the Company and the Offeror in the event of any changes to the timetable as and when appropriate. Unless otherwise specified, all time and date references contained in this Composite Document refer to Hong Kong time and dates.*

Despatch date of this Composite Document and the Form of  
Acceptance and commencement date of  
the Offer (*Note 1*) ..... Thursday, 27 February 2020

Latest time and date for acceptance of the Offer  
(*Notes 2, 4 and 6*) ..... by 4:00 p.m. on  
Thursday, 19 March 2020

Closing Date (*Notes 2, 4 and 6*) ..... Thursday, 19 March 2020

Announcement of the results of the Offer  
as at the Closing Date (or its extension or revision, if any)  
to be posted on the Stock Exchange's website (*Notes 2 and 4*) ... not later than 7:00 p.m. on  
Thursday, 19 March 2020

Latest date for posting of remittances for the amounts  
due in respect of valid acceptances received  
under the Offer (*Note 5*) ..... Monday, 30 March 2020

*Notes:*

1. The Offer, which is unconditional, is made on Thursday, 27 February 2020, the date of this Composite Document, and is capable of acceptance on and from that date until the Closing Date. Acceptance of the Offer shall be irrevocable and shall not be capable of being withdrawn, except in the circumstances set out in the paragraph headed "6. Right of Withdrawal" in Appendix I "FURTHER TERMS AND PROCEDURES FOR ACCEPTANCE OF THE OFFER" to this Composite Document.
2. In accordance with the Takeovers Code, the Offer must initially be opened for acceptance for at least 21 days following the date on which this Composite Document is posted. The offer will be closed on the Closing Date. The latest time and date for acceptance is at 4:00 p.m. on Thursday, 19 March 2020 unless the Offeror revises or extends the Offer in accordance with the Takeovers Code.
3. The Independent Shareholders are required to submit the duly completed and signed Form of Acceptance to the Registrar on or before 4:00 p.m. on Thursday, 19 March 2020, being the Closing Date, in order to accept the Offer.
4. In accordance with the Takeovers Code, an announcement will be published on the website of the Stock Exchange by 7:00 p.m. on the Closing Date stating whether the Offer has been extended, revised or expired. In the event that the Offeror decides to extend the Offer and the announcement does not specify the next closing date, at least 14 days' notice by way of an announcement will be given before the Share Offer is closed to those Independent Shareholders who have not accepted the Offer.
5. Remittances in respect of the cash consideration (after deducting the seller's ad valorem stamp duty) payable in respect of acceptance of the Offer will be despatched to the accepting Shareholder(s) by ordinary post at their own risk as soon as possible, but in any event within seven Business Days following the date of receipt by the Registrar of the duly completed Form of Acceptance and all requisite documents to render the acceptance under the Offer complete and valid in accordance with the Takeovers Code.

## EXPECTED TIMETABLE

6. If there is a tropical cyclone warning signal number 8 or above, or a black rainstorm warning:
- (a) in force in Hong Kong at any local time before 12:00 noon but no longer in force after 12:00 noon on the latest date for acceptance of the Offer and the latest date for posting of remittances for the amounts due under the Offer in respect of valid acceptances, the latest time for acceptance of the Offer and the posting of remittances will remain at 4:00 p.m. on the same Business Day; or
  - (b) in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on the latest date for acceptance of the Offer or the latest date for posting of remittances for the amounts due under the Offer in respect of valid acceptances, as the case may be, will be rescheduled to 4:00 p.m. on the following Business Day which does not have either of those warnings in force at any time between 9:00 a.m. and 4:00 p.m. or such other day as the Executive may approve in accordance with the Takeovers Code.

All times and dates in this Composite Document and the Form of Acceptance shall refer to Hong Kong times and dates. Save as mentioned above, if the latest time for acceptance of the Offer and the posting of remittances do not take effect on the date and time as stated above, the other dates mentioned above may be affected. The Offeror and the Company will jointly notify the Shareholders by way of announcement(s) on any change to the expected timetable as soon as practicable.

## **IMPORTANT NOTICE**

### **NOTICE TO OVERSEAS INDEPENDENT SHAREHOLDERS**

The making of the Offer to persons with a registered address in jurisdictions outside Hong Kong may be prohibited or affected by the laws of the relevant jurisdictions. Overseas Independent Shareholders should inform themselves about and observe any applicable legal requirements and, where necessary, seek independent legal advice. It is the responsibility of any such person who wishes to accept the Offer to satisfy himself/herself/itself as to the full observance of the laws of the relevant jurisdiction in connection therewith, including the obtaining of any governmental, exchange control or other consents which may be required or the compliance with other necessary formalities or legal requirements and the payment of any transfer or other taxes or other required payments due in respect of such jurisdiction.

The Offeror and parties acting in concert with it, the Company, Kingston Corporate Finance, Kingston Securities, Vinco Capital, the Registrar, their respective ultimate beneficial owners, directors, officers, agents, professional advisers and associates and any other persons involved in the Offer shall be entitled to be fully indemnified and held harmless by such person for any taxes as such person may be required to pay. Please see the paragraph headed “9. Important Note to Overseas Independent Shareholders” in the “LETTER FROM KINGSTON SECURITIES” in this Composite Document.

### **CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS**

This Composite Document contains forward-looking statements, which may be identified by words such as “believe”, “expect”, “anticipate”, “intend”, “plan”, “seek”, “estimate”, “will”, “would” or words of similar meaning, that involve risks and uncertainties, as well as assumptions. All statements other than statements of historical fact are statements that could be deemed forward-looking statements. The forward-looking statements included herein are made only as at the Latest Practicable Date. The Offeror and the Company assume no obligation to correct or update the forward-looking statements or opinions contained in this Composite Document, except as required pursuant to applicable laws or regulations, including but not limited to the Listing Rules and/or the Takeovers Code.

## DEFINITIONS

*In this Composite Document, unless the context otherwise requires, the following expressions shall have the following meanings:*

“Acquisition”	the acquisition of Sale Shares from the Vendor for an aggregate amount of HK\$196,281,800 (representing HK\$0.55 per Sale Share)
“acting in concert”	has the meaning ascribed to it under the Takeovers Code
“associate(s)”	has the meaning ascribed to it under the Takeovers Code
“Board”	the board of Directors of the Company
“Business Day(s)”	a day on which the Stock Exchange is open for the transaction of business
“BVI”	the British Virgin Islands
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Closing Date”	Thursday, 19 March 2020, being the closing date of the Offer, or if the Offer is extended, any subsequent closing date of the Offer as extended and announced by the Offeror and approved by the Executive in accordance with the Takeovers Code
“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 of the Sale Shares under the Sale and Purchase Agreement, which took place on 13 January 2020
“Composite Document”	this composite offer and response document jointly issued by the Offeror and the Company to all Independent Shareholders in accordance with the Takeovers Code containing, among other things, the detailed terms of the Offer
“connected person(s)”	has the meaning ascribed thereto in the Listing Rules
“Controlling Shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	director(s) of the Company

## DEFINITIONS

“Encumbrance(s)”	means  (a) any mortgage, charge, pledge, lien, hypothecation, encumbrance or other security arrangement of any kind;  (b) any option, equity, claim, adverse interest or other third party right of any kind;  (c) any arrangement by which any right is subordinated to any right of such third party; or  (d) any contractual right of set-off,  including any agreement or commitment to create or procure to create, or to permit or suffer to be created or subsisted any of the above
“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
“Facility”	a loan facility granted by Kingston Securities as lender to the Offeror as borrower in accordance with the terms of the Loan Facility Agreement to finance the amount payable by the Offeror upon acceptance of the Offer by cash in full
“Form of Acceptance”	the form of acceptance in respect of the Offer accompanying this Composite Document
“Group”	the Company and its subsidiaries from time to time
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“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

## DEFINITIONS

“Independent Financial Adviser” or “Vinc Capital”	Vinc Capital Limited, a corporation licensed under the SFO to carry out type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities, being the independent financial adviser appointed by the Company to advise the Independent Board Committee in respect of the Offer
“Independent Option Holder(s)”	the holders of outstanding Share Options other than Ms. Jiang
“Independent Shareholder(s)”	Shareholders other than the Offeror, Mr. Chen and parties acting in concert with any of them
“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
“Irrevocable Undertakings”	the Irrevocable Option Undertakings and the Irrevocable Share Undertakings
“Joint Announcement”	the joint announcement dated 17 January 2020 issued by the Company and the Offeror in respect of, among other things, the Sale and Purchase Agreement and the Offer
“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
“Last Trading Day”	10 January 2020, being the last trading day of the Shares immediately prior to the suspension of trading in the Shares on the Stock Exchange pending the release of the Joint Announcement
“Latest Practicable Date”	24 February 2020 being the latest practicable date prior to the printing of this Composite Document for ascertaining certain information contained herein



## DEFINITIONS

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Loan Facility Agreement”	the loan facility agreement entered into between Kingston Securities as lender and the Offeror as borrower dated 13 January 2020 in relation to the Facility
“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 Period”	has the meaning ascribed to it in the Takeovers Code, being the period commencing from 17 January 2020 and ending on the Closing Date
“Offer Price”	HK\$0.55 per Share under the Offer
“Offer Share(s)”	all the Share(s) in issue, other than those already owned by the Offeror and parties acting in concert with it
“Offeror”	DA Wolf Investments I Limited, a business company incorporated in the BVI
“Overseas Independent Shareholder(s)”	Independent Shareholder(s) whose address(es) as shown on the register of members of the Company is/are outside Hong Kong

## DEFINITIONS

“PRC” or “China”	the People’s Republic of China excluding, for the purpose of this Composite Document, Hong Kong, the Macau Special Administrative Region 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
“Registrar”	Boardroom Share Registrars (HK) Limited, the Hong Kong branch share registrar and transfer office of the Company
“Relevant Period”	the period commencing on the date falling six months preceding 17 January 2020, being the date of commencement of the Offer Period, and ending on and including the Latest Practicable Date
“Relevant Date”	17 January 2020, being the date of the Joint Announcement
“Sale Price”	the sale price of approximately HK\$0.55 per Sale Share
“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 Share(s)”	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”	Securities and Futures Ordinance (Chapter 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)”	holder(s) of the Share(s)
“Share Option(s)”	the share option(s) granted by the Company as at the Latest Practicable Date pursuant to the Share Option Scheme

## DEFINITIONS

“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
“substantial shareholder”	has the meaning ascribed thereto under the Listing Rules
“Takeovers Code”	the Codes on Takeovers and Mergers and 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.

1. Certain amounts and percentage figures in this Composite Document have been subject to rounding adjustments;
2. The singular includes the plural and vice versa, unless the context otherwise requires;
3. References to any appendix, paragraph and any sub-paragraph of them are references to the appendices to, and paragraphs of, this Composite Document and any sub-paragraph of them respectively;
4. References to any statute or statutory provision include a statute or statutory provision which amends, consolidates or replaces the same whether before or after the date of this Composite Document; and
5. Reference to one gender is a reference to all or any genders.

  
**KINGSTON SECURITIES**

*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.

## LETTER FROM KINGSTON SECURITIES

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;

## LETTER FROM KINGSTON SECURITIES

- (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).

## LETTER FROM KINGSTON SECURITIES

### **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.

## LETTER FROM KINGSTON SECURITIES

### **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.



## LETTER FROM KINGSTON SECURITIES

### 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:

	<b>Immediately prior to Completion</b>		<b>Immediately after Completion and as at the Latest Practicable Date but before the Offer is made</b>	
	<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><u>1,123,800,000</u></u>	<u><u>100.00%</u></u>	<u><u>1,123,800,000</u></u>	<u><u>100.00%</u></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.

## LETTER FROM KINGSTON SECURITIES

### 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.

## LETTER FROM KINGSTON SECURITIES

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:

## LETTER FROM KINGSTON SECURITIES

- 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,

## **LETTER FROM KINGSTON SECURITIES**

(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

## LETTER FROM KINGSTON SECURITIES

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.

Yours faithfully,  
For and on behalf of  
**Kingston Securities Limited**  
**Chan Yin Tong, Cynthia**  
*Director*

**LETTER FROM THE BOARD**

**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.

## LETTER FROM THE BOARD

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.



## LETTER FROM THE BOARD

### 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.

## LETTER FROM THE BOARD

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.**

## LETTER FROM THE BOARD

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.

## LETTER FROM THE BOARD

### 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.

## **LETTER FROM THE BOARD**

### **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.

## LETTER FROM THE BOARD

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.

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

\* *for identification purposes only*

**SEASON PACIFIC HOLDINGS LIMITED**

**雲裳衣控股有限公司\***

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

**(Stock Code: 1709)**

27 February 2020

*To the Independent Shareholders*

Dear Sir/Madam,

**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)**

**INTRODUCTION**

We refer to the composite offer and response document dated 27 February 2020 jointly issued by the Offeror and the Company (the “**Composite Document**”) of which this letter forms a part. Capitalised terms used in this letter have the same meanings as those defined in the Composite Document, unless the context requires otherwise.

We have been appointed by the Board to form the Independent Board Committee to consider the terms of the Offer and to make a recommendation to you as to whether, in our opinion, the respective terms of the Offer are fair and reasonable so far as the Independent Shareholders are concerned, and as to acceptance thereof. We have declared that we are independent and have no direct or indirect interest in the Offer, and therefore are able to consider the terms of the Offer, to make recommendations and express our views on the Offer to the Independent Shareholders.

Vinco Capital has been appointed, with our approval, as the Independent Financial Adviser to advise us in respect of the terms of the Offer and as to acceptance thereof. Details of its advice and the principal factors considered by it in arriving at its advice and recommendation are set out in the “LETTER FROM VINCO CAPITAL” in the Composite Document which contains the details of its advice and the principal factors and reasons taken into consideration in arriving at its recommendations in respect of the Offer.

We also wish to draw your attention to the “LETTER FROM THE BOARD” and “LETTER FROM KINGSTON SECURITIES” and the additional information set out in the appendices to the Composite Document.

**LETTER FROM THE INDEPENDENT BOARD COMMITTEE**

**RECOMMENDATION**

Taking into account the terms of the Offer and the independent advice from Vinco Capital, and the principal factors and reasons taken into account in arriving at its recommendation, we consider that the terms of the Offer are fair and reasonable so far as the Independent Shareholders are concerned, and recommend the Independent Shareholders to accept the Offer.

However, for those Independent Shareholders who are considering to realise all or part of their holdings in the Shares, they should monitor the Share price movement until near the end of the Offer Period. If the market price of the Shares exceeds the Offer Price and the sale proceeds net of all transaction costs exceed the net proceeds receivable under the Offer, the Independent Shareholders should consider selling their Shares in the open market instead of accepting the Offer.

The Independent Shareholders are recommended to read the full text of the “LETTER FROM VINCO CAPITAL” in this Composite Document. Notwithstanding our recommendation, the Independent Shareholders should consider carefully the terms and conditions of the Offer.

Yours faithfully,  
Independent Board Committee of  
**SEASON PACIFIC HOLDINGS LIMITED**

	<b>Ms. Chin Ying Ying</b> <i>Non-executive Director</i>	
<b>Mr. Chang Eric Jackson</b>	<b>Mr. Choi Sheung Jeffrey</b> <i>Independent non-executive Directors</i>	<b>Ms. Luk Huen Ling Claire</b>

\* for identification purposes only



## LETTER FROM VINCO CAPITAL

*The following is the full text of a letter of advice from Vinco Capital to the Independent Board Committee in respect of the terms of the Offer which has been prepared for the purpose of incorporation in this Composite Document:*



**Vinco Capital Limited**  
Unit 2610, 26/F., The Center  
99 Queen's Road Central, Hong Kong

27 February 2020

*To the Independent Board Committee and the Independent Shareholders of  
Season Pacific Holdings Limited*

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 OR AGREED TO BE ACQUIRED  
BY DA WOLF INVESTMENTS I LIMITED  
AND THE PARTIES ACTING IN CONCERT WITH IT)**

### **A. INTRODUCTION**

We refer to our appointment as the Independent Financial Adviser to advise the Independent Board Committee in respect of the terms of the Offer and as to acceptance, details of which are set out in the Composite Document jointly issued by the Offeror and the Company to the Shareholders dated 27 February 2020 of which this letter forms part. Capitalised terms used in this letter shall have the same meanings ascribed to them in the Composite Document unless the context otherwise requires.

As mentioned in the Joint Announcement, on 17 January 2020, the Vendor and the Offeror entered into the Sale and Purchase Agreement, pursuant to which the Vendor 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 issued share capital of the Company as at the date of the Joint Announcement. The 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.

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

## LETTER FROM VINCO CAPITAL

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.

The 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 established to make a recommendation to the Independent Shareholders as to whether the Offer is, or is not, fair and reasonable and whether the Offer is in the interests of the Independent Shareholders as a whole and as to its acceptance. We have been appointed as the Independent Financial Adviser to advise the Independent Board Committee in respect of the Offer. In our capacity as the Independent Financial Adviser, our role is to give an independent opinion to the Independent Board Committee as to whether the terms of the Offer are fair and reasonable and as to acceptance so far as the Independent Shareholders are concerned and such appointment has been approved by the Independent Board Committee.

As at the Latest Practicable Date, we are not connected with the directors, chief executive and substantial shareholders of the Company and the Offeror or any of their respective subsidiaries or their respective associates or any party acting, or presumed to be acting, in concert with any of them and accordingly, and, as at the Latest Practicable Date, did not have any shareholding, directly or indirectly, in any of their respective subsidiaries or their respective associates and, as at the Latest Practicable Date, did not have any shareholding, directly or indirectly, in any member of the Group or the Offeror or any right, whether legally enforceable or not, to subscribe for or to nominate persons to subscribe for securities in any member of the Group and Offeror. In addition, during the past two years, we have no significant connection, financial or otherwise with the Company or the Offeror or the controlling shareholders of either of them. Apart from normal professional fees payable to us in connection with this appointment as the Independent Financial Adviser to the Independent Board Committee, no arrangement exists whereby we will receive any fees from the Company, its subsidiaries, its associates or their respective substantial shareholders or associates. We are not aware of any relationships or interest between us and the Company and the Offeror or any other parties that could be reasonably be regarded as hindrance to our independence as defined under Rule 13.84 of the Listing Rules and Rule 2 of the Takeovers Code to act as the Independent Financial Adviser to the Independent Board Committee in respect of the Offer.

## LETTER FROM VINCO CAPITAL

During the past two years, we were appointed as the independent financial adviser to advise the independent board committee and the independent shareholders of the Company in respect of a discloseable and connected transaction in relation to acquisition of DL Securities (HK) Limited and DA Finance (HK) Limited (the “**Past Appointment**”). The professional fees in connection with the Past Appointment have been fully settled and we are not aware of the existence of or change in any circumstances that would affect our independence. Accordingly, we consider that we are eligible to give independent advice and recommendations on the terms of the Offer and as to acceptance.

### **B. BASIS OF OUR OPINION AND RECOMMENDATION**

In formulating our opinion and recommendation, we have relied on the accuracy of the information and facts contained or referred to in the Composite Document and provided to us by the Company, the Directors and the management of the Company. We have assumed that all information and representations contained or referred to in the Composite Document were true, accurate and complete at the time when they were made and continue to be true, accurate, complete and up to date throughout the Offer Period. Shareholders will be notified of any material changes as soon as possible. We have also assumed that all statements of belief, opinion and intention made by the Directors and the Offeror in the Composite Document were reasonably made after due enquiries and considerations. We have no reasons to doubt that any relevant information has been withheld, nor are we aware of any fact or circumstance which would render the information provided and representations made to us untrue, inaccurate or misleading. We consider that we have reviewed sufficient information to enable us to reach an informed view and to justify reliance on the accuracy of the information contained in the Composite Document and to provide a reasonable basis for our opinions and recommendations. All Directors have declared in a responsibility statement set out in the Appendix IV to the Composite Document that they jointly and severally accept full responsibility for the accuracy of the information contained in the Composite Document (other than the information relating to the Offeror and parties acting in concert with it) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in the Composite Document (other than opinions expressed by the directors of the Offeror and parties acting in concert with it) have been arrived at after due and careful consideration and there are no other facts not contained in the Composite Document, the omission of which would make any statement in the Composite Document misleading. The sole director and sole shareholder of the Offeror, being Mr. Chen, has declared in a responsibility statement set out in the Appendix III to the Composite Document that he accepts full responsibility for the accuracy of the information contained in this Composite Document (other than that relating to the Group or the Directors), and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this Composite Document (other than that expressed by the Directors) have been arrived at after due and careful consideration and there are no other facts not contained in this Composite Document, the omission of which would make any statement contained in this Composite Document misleading. We have not, however, carried out any independent verification of the information provided by the Company, the Directors and the management of the Company, nor have we conducted an independent investigation into the business and affairs, financial condition and future prospects of the Group and/or the Offeror.

## LETTER FROM VINCO CAPITAL

In formulating our opinions, we have not considered the tax implications on the Independent Shareholders arising from acceptances or non-acceptances of the Offer as these are particular to their individual circumstances. It is emphasised that we will not accept responsibility for any tax effect on or liability of any person resulting from his or her acceptance or non-acceptance of the Offer. In particular, the Independent Shareholders who are residents outside Hong Kong or subject to overseas tax or Hong Kong taxation on securities dealings should consider their own tax position, and if in any doubt, should consult their own professional advisers.

In formulating our opinions, our opinions are necessarily based upon the financial, economic, market, regulatory and other conditions as they existed on, and the facts, information, representations, and opinions made available to us as of the Latest Practicable Date. Should there be any subsequent material changes in such information during the Offer Period, the Company will inform the Shareholders as soon as practicable in accordance with Rule 9.1 of the Takeovers Code. The Shareholders will also be informed by us as soon as practicable should there be any material changes to our opinion after the Latest Practicable Date throughout the Offer Period in accordance with Rule 9.1 of the Takeovers Code. Based on the foregoing, we confirm that we have taken all reasonable steps, which are applicable to the Offer, as referred to in Rule 13.80 of the Listing Rules (including the notes thereto).

This letter is issued for the Independent Board Committee solely in respect of the Offer and, except for its inclusion in the Composite Document, is not to be quoted or referred to, in whole or in part, nor shall this letter be used for any other purposes, without our prior written consent.

### **C. PRINCIPAL FACTORS AND REASONS CONSIDERED**

In arriving at our opinion and recommendation to the Independent Board Committee in relation to the terms of the Offer and as to acceptance, we have considered the principal factors and reasons set out below:

#### **1. Business of 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.

**LETTER FROM VINCO CAPITAL**

**2. Historical financial performance of the Group**

Set out below are (i) the audited consolidated financial information of the Group for the two years ended 31 March 2019 extracted from the annual report of the Company for the year ended 31 March 2019 (the “**2019 Annual Report**”); and (ii) the unaudited consolidated financial information of the Group for the six months ended 30 September 2019 extracted from the interim report of the Company for the six months ended 30 September 2019 (the “**2020 Interim Report**”):

<i>Table A</i>	<b>For the six months ended</b>		<b>For the year ended</b>	
	<b>30 September</b>		<b>31 March</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	(unaudited)	(unaudited)	(audited)	(audited)
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
<b>Revenue</b>	132,746	132,203	186,519	279,382
<b>Gross Profit</b>	10,116	22,603	20,918	54,584
<b>Profit/(loss) attributable to owners of the Company</b>	(47,474)	(3,271)	18,682	15,688
		<b>As at</b>		
		<b>30 September</b>	<b>As at 31 March</b>	
		<b>2019</b>	<b>2019</b>	<b>2018</b>
		(unaudited)	(audited)	(audited)
		<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
<b>Total assets</b>		181,845	180,456	115,695
<b>Total liabilities</b>		54,466	9,634	33,292
<b>Equity attributable to owner of the Company</b>		127,379	170,822	82,403

## LETTER FROM VINCO CAPITAL

Set out below are the revenue by region for the years ended 31 March 2018 and 2019 respectively as extracted from the 2019 Annual Report and the revenue by region for the six months ended 30 September 2018 and 2019 respectively as extracted from the 2020 Interim Report:

<i>Table B</i>	<b>For the six months ended</b>		<b>For the year ended</b>	
	<b>30 September</b>		<b>31 March</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	(unaudited)	(unaudited)	(audited)	(audited)
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
America	37,008	70,906	87,139	112,055
Europe	88,014	46,361	72,458	81,790
Asia Pacific	2,209	12,483	21,915	44,570
Middle East	<u>5,515</u>	<u>2,453</u>	<u>5,007</u>	<u>40,967</u>
<b>Total revenue</b>	<u><u>132,746</u></u>	<u><u>132,203</u></u>	<u><u>186,519</u></u>	<u><u>279,382</u></u>

*Audited consolidated results for the two years ended 31 March 2019*

The Group's revenue was derived from sales of apparel mainly from America, Europe, Asia Pacific and Middle East. As depicted in the Table B above, for the year ended 31 March 2019, sales to America and Europe was approximately 46.7% and 38.8% of the total revenue respectively, and the remaining sales are approximately 14.5% to Asia and Middle East. As disclosed in the 2019 Annual Report, the Group recorded a decrease in turnover of approximately HK\$92.9 million or 33.2%, from approximately HK\$279.4 million for the year ended 31 March 2018 to approximately HK\$186.5 million for the year ended 31 March 2019. The decrease in revenue was primarily due to the significant continued challenges in the global business environment, but the group was able to make a significant growth in sales to one of the world's largest fashion retailers headquartered in Spain. The Group's gross profit has decreased by approximately HK\$33.7 million, from approximately HK\$54.6 million for the year ended 31 March 2018 to approximately HK\$20.9 million for the year ended 31 March 2019. Such decrease was mainly due to the drop of revenue.

The Group has recorded a profit that attributable to owners of the Company of approximately HK\$18.7 million for the year ended 31 March 2019, representing a year-on-year increase of approximately HK\$3.0 million or 19.1%, which was due to gains on sales of equity security of approximately HK\$11.5 million and fair value gains on equity securities of approximately HK\$26.2 million for the year ended 31 March 2019, offset by the decrease in gross profit as mentioned above.

As at 31 March 2019, the Group recorded total assets, total liabilities and equity attributable to owners of the Company of approximately HK\$180.5 million, HK\$9.6 million and HK\$170.8 million, respectively.

## LETTER FROM VINCO CAPITAL

### *Unaudited consolidated results for the six months ended 30 September 2019*

As disclosed in the 2020 Interim Report, for the six months ended 30 September 2019, the Group's revenue remained stable at approximately HK\$132.7 million, represented an increase of approximately HK\$543,000 or 0.4% as compared with HK\$132.2 million for the six months ended 30 September 2018. The Group maintain similar revenues as compared to the corresponding period in 2018, but the proportion of revenues from America has decreased due to the increases in tariffs from the US China trade wars. As depicted in the Table B above, for the six months ended 30 September 2019, the sales to America has dropped by approximately HK\$33.9 million or 47.8%, as compared with the corresponding period in 2018 while the sales to Europe for the six months ended 30 September 2019 increased by approximately HK\$41.7 million or 89.8%, as compared with the corresponding period in 2018. The Group's gross profit decreased by approximately HK\$12.5 million or 55.2% due to an increase of cost of sales by approximately HK\$13.0 million with stable revenue. This was mainly due to diversification of production sources away from China which were more costly due to the increases in tariffs from the US China trade wars.

The Group recorded a loss attributable to owners of the Company of approximately HK\$47.5 million for the six months ended 30 September 2019 as compared to a loss attributable to owners approximately HK\$3.3 million for the six months ended 30 September 2018. Such loss for the six months ended 30 September 2019 was mainly due to the drop of gross profit as mentioned above and losses on sales of equity securities of approximately HK\$34.3 million and fair value losses on equity securities of approximately HK\$3.5 million due to negative returns from investments on securities for the six months ended 30 September 2019.

As at 30 September 2019, the Group recorded total assets, total liabilities and equity attributable to owners of the Company of approximately HK\$181.8 million, HK\$54.5 million and HK\$127.4 million, respectively.

### **3. Business prospect of the Group**

#### *Sale of apparel — market in the US*

As mentioned above, the Group's sales in America has dropped due to geo-political problem. The apparel market comprises all clothing segments that are produced for private end customers. On 15 January 2020, the United States and China has signed "ECONOMIC AND TRADE AGREEMENT BETWEEN THE GOVERNMENT OF THE UNITED STATES OF AMERICA AND THE GOVERNMENT OF THE PEOPLE'S REPUBLIC OF CHINA". Following the trade deal, the 10% tariff on imported apparel would continue to be imposed by the US Government at the same level.

In accordance with the news published on 8 October 2019 by CBI (<https://www.cbi.eu/>), due to US-China trade wars, since the start of the trade war, the average retail price of clothing manufactured in China and exported to the US has almost tripled, going from approximately \$25.7 per unit in 2018 to

## LETTER FROM VINCO CAPITAL

approximately \$69.5 per unit in 2019. China became strongly specialised in manufacturing high-value items such as outerwear and accessories over the years. While basic apparel production can be relatively easy to move to lower-cost locations, higher-value clothing requires higher specialisation and quality assurance. Part of the textile or apparel might shift to lower cost location, for example Vietnam and Cambodia, for production as compared with China, but part of it would take time to move the factories. The apparel market in the US would continue to be harmed by the tariff as the US Government has no time table or intention to reduce the imposed tariff, which in turn increase the cost of sales of the Group and the industry due to diversification of production sources away from China which were more costly to avoid tariff imposed by the US to China's products.

### *Sale of apparel — market in Europe*

In accordance with World Trade Statistical Review 2019 published by World Trade Organisation, the European Union is the world's largest importer of apparel and textiles, accounting for approximately 23.1% of the world's apparel and textile imports value in 2018. The growth rate of overall import volume to Europe (Euro area, excluding United Kingdom) has decreased from approximately 2.9% in 2017 to approximately 1.0% in 2018. European Union remains the top importer of textiles in the world with the value amounting approximately US\$34.9 billion in 2000 to approximately US\$23.1 billion in 2018 while the US, the second top importer, had import value of approximately US\$9.7 billion in 2000 and approximately US\$9.1 billion in 2018. Moreover, European Union remains the top importer of clothing. The value of such import to the EU was approximately US\$41.1 billion in 2000 and approximately US\$38.4 billion in 2018. Despite the remain of the top status in textile and clothing importer, the EU's import value has been decreasing since 2000. In accordance with World Economic Situation and Prospects 2020 published on 16 January 2020 by the United Nations, the growth of world output and gross domestic product (GDP) in 2019 is expected to be 2.3%, a decrease of 0.7% as compared with 2018 (3.0%). The forecast of the growth in world's GDP in 2020 would be 2.5%, a decrease of 0.5% as compared with 2018. With the uncertainty of world trade and unexpected geo-political situation, the market in Europe remains uncertainty.

Taking into consideration the factors as mentioned above, we are of the opinion that the future performance of the Group remains uncertain.

#### **4. Information on the Offeror**

Reference is made to the section headed "5. Information on the Offeror" in the "Letter from Kingston Securities" of the Composite Document.

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.



**5. Intention of the offeror in relation to the group**

*(i) Business*

Reference is made to section headed “6. Intention of the Offeror in relation to the Group:” in the “Letter from Kingston Securities” of the Composite Document. Immediately after the Completion, the Offeror became the Controlling Shareholder of the Company. After the close of the Offer, the Offeror intends to continue the existing principal business of the Group.

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 (i) discontinue the employment of any employee (save for in the ordinary course of business and the proposed changes to the composition of the Board); or (ii) dispose or redeploy 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.

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.

Moreover, as stated in the “Letter from the Board”, the Board is pleased with the intention of the Offeror. The Board will cooperate and provide support to the Offeror as regards to the Offeror’s intention regarding the Group and the employees of the Group and is will to co-operate with the Offeror in the interests of the Group and the Shareholders as a whole.

*(ii) Maintain listing of the Group*

Reference is made to section headed “8. Maintaining the Listing Status of the Company” in the “Letter from Kingston Securities” of the Composite Document.

## LETTER FROM VINCO CAPITAL

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
  - b. there are insufficient Shares in public hands to maintain an orderly market,
- it will consider exercising its discretion to suspend dealings in the Share.

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 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.

### **6. Proposed change to the Board composition**

The Board is currently made up of two executive Directors, two non-executive Director and three independent non-executive Directors. The Offeror intends to nominate a new Director for appointment to the Board with effect from the earliest time permitted under the Takeovers Code.

As set out in the “6. Intention of the Offeror in Relation to the Group” in the “Letter from Kingston Securities” of the Composite Document, the Offeror intends to nominate Mr. Chen to be new executive Director of the Company. The appointment of the new executive Director will take effect after the despatch of the Composite Document. Any changes to the composition of the Board will be made in compliance with the Takeovers Code and the Listing Rules.

Further details on the new executive Director’s biography are set out in the above-mentioned sub-section in the “Letter from Kingston Securities” of the Composite Document. There could be uncertainties with the direction and strategies the Offeror will take after its review considering that the new executive Director do not have previous experience in the current principal businesses of the Company (i.e. sales of apparel) as his occupation were mainly involved in finance services. Although, all the current Directors will remain in the Board, there could be uncertainties in how such change will affect the current employees as well as the operations of the Group going forward.

## LETTER FROM VINCO CAPITAL

In light of the above-mentioned, we are of the view that there could be uncertainties in the management which could directly affect the operation of the Company.

### 7. Principal terms of 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 Takeover Code on the following terms:

(i) *Consideration of the Offer*

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.

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.

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.

## LETTER FROM VINCO CAPITAL

(ii) *Comparisons of value*

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

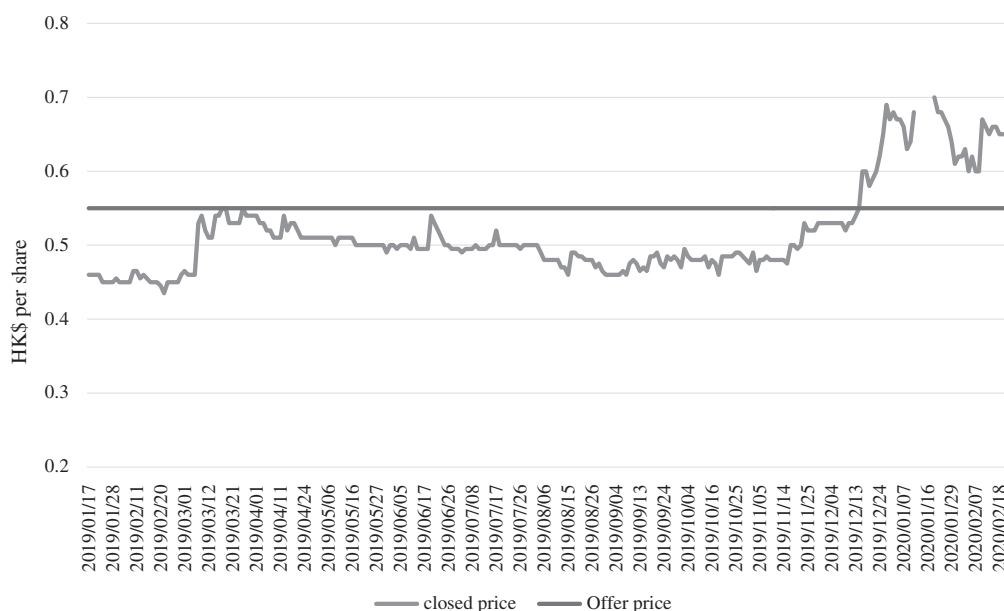
- (i) a discount of approximately 14.06% to the closing price of HK\$0.64 per Share as quoted on the Stock Exchange on the Latest Practicable Date;
- (ii) a discount of approximately 19.12% over the closing price of HK\$0.680 per Share as quoted on the Stock Exchange on 10 January 2020, being the Last 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 five 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 ten 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.

## LETTER FROM VINCO CAPITAL

### 8. Historical price performance of the Shares

The chart below illustrates the closing price levels of the Shares as quoted on the Stock Exchange from the twelve-month period preceding the closing date of the Offer, being the period of 17 January 2019 to Latest Practicable Date (the “**Review Period**”):

**Share price performance during the Review Period**



Source: website of the Stock Exchange (<http://www.hkex.com.hk>)

As shown in the chart above, the highest and lowest closing prices of the Shares during the Review Period were HK\$0.70 on 20 January 2020 and HK\$0.435 on 21 February 2019. The Offer Price therefore represents a discount of approximately 21.43% to the highest closing price of the Shares and a premium of approximately 26.44% over the lowest closing price of the Shares during the Review Period.

During the Review Period, from 17 January 2019 to 16 December 2019 (the “**First Period**”), the closing price of the Share fluctuated from HK\$0.435 to HK\$0.55. The highest closing price during the First Period was recorded on 18, 19, 26 March and 16 December 2019. During the First Period, the average closing price was HK\$0.493. Following the First Period, the Share price jumped to HK\$0.6. From 17 December 2019 to the Latest Practicable Date (the “**Second Period**”), it ranged from HK\$0.58 to HK\$0.7. It is noted that, during the Second Period, the overall trend of closing price was increasing. It rose to HK\$0.7 until 20 January 2020 and began to drop. In addition to the closing price, we noted that on 20 January 2020 the day range of the share price was from HK\$0.62 to HK\$0.97. After having made enquiry with the Company, the Company was unaware of any reasons for the surge in the prices of the Shares during the period.

## LETTER FROM VINCO CAPITAL

We noted that the Offer Price had been higher than or equal to the daily closing prices during the First Period, but lower than the daily closing prices during the Second Period. The Offer Price of HK\$0.55 represents (i) a discount of approximately 21.43% over the highest closing price; and (ii) a premium of approximately 26.44% to the lowest closing price during the Review Period. Despite that the Offer Price was below daily closing price during the Second Period, representing 40 trading days (excluding 13 to 17 January 2020, being the trading halt), the Offer Price was generally above the daily closing price during the First Period, representing 226 trading days. Based on the aforesaid analysis, we considered that the closing prices have been fluctuating, with the Offer Price being above the closing prices of the Shares for 226 out of 266 trading days within the Review Period and was above the average closing price of HK\$0.514 during the Review Period.

Since the publication of the Joint Announcement and up to the trading day immediately preceding the Latest Practicable Date (the “**Post-Announcement Period**”), we noted that the closing prices of the Shares have decreased and ranged from HK\$0.6 to HK\$0.7 per share, representing a premium of approximately 9.09% and 27.27% respectively over the Offer Price. After having enquired with the Company, it was unaware of any reasons for the decrease in the prices of the Shares during the Post-Announcement Period. Given that the decrease in the prices of the Share happened during the Post-Announcement Period after the publication of the Joint Announcement and the Company also did not announce any other significant news during the Post-Announcement Period, we are of the view that such decrease in the prices of the Shares in the Post-Announcement Period was highly likely due to normal profit taking action as the price has increased from HK\$0.6 on 17 December 2019 to HK\$0.7 on 20 January 2020, representing an approximately 16.67% increase. In this connection, we consider that in the absence of any significant positive events and the Offer, there is no assurance that the closing prices of the Shares will continue to rise or maintain at a level equal to or above the Share Offer Price after the Latest Practicable Date or after closing of the Offer. Accordingly, we also consider the price trend prior to the publication of the Joint Announcement in the Pre-Announcement Period more appropriately reflects the general price trend of the Company.

Independent Shareholders who wish to realise their investment in the Group are reminded that they should carefully and closely monitor the market price of the Group during the Offer Period and consider selling their Shares in the open market during the Offer Period, rather than accepting the Offer, if the net proceeds from the sale of such Shares in the open market would exceed the net amount receivable under the Offer.

## LETTER FROM VINCO CAPITAL

### 9. Liquidity of the Shares

The table below sets out the average daily trading volume of the Shares during the Review Period, and the percentage as represented by such average daily trading volume to the total number of Shares in issue at the corresponding month.

	Total trading volume <i>(Note 2)</i> <i>(Thousands Shares)</i>	Number of trading days	Average Daily Volume <i>(Note 1)</i> <i>(Thousands Shares)</i>	Approximately % of average daily trading volume to total number of issued Shares <i>(Note 3)</i>	Approximately % of average daily trading volume to total number of Shares held by public Shareholders <i>(Note 4)</i>
<b>2019</b>					
January (commencing from 17 January 2019)	58,262	11	5,297	0.47%	1.49%
February	54,994	17	3,235	0.29%	0.91%
March	320,221	21	15,249	1.36%	4.28%
April	34,808	19	1,832	0.16%	0.51%
May	46,669	21	2,222	0.20%	0.62%
June	65,352	19	3,440	0.31%	0.97%
July	28,433	22	1,292	0.12%	0.36%
August	25,936	22	1,179	0.10%	0.33%
September	37,936	21	1,806	0.16%	0.51%
October	37,113	21	1,767	0.16%	0.50%
November	103,952	21	4,950	0.44%	1.39%
December	245,962	20	12,298	1.09%	3.45%
<b>2020</b>					
January <i>(Note 5)</i>	18,833	15	1,256	0.11%	0.35%
February (up to the Latest Practicable Date)	21,578	16	1,349	0.12%	0.38%

*Source: website of the Stock Exchange (<http://www.hkex.com.hk>)*

*Notes:*

- (1) Average daily trading volume is calculated by dividing the total trading volume for the month/period by the number of trading days during the month/period which excludes any trading day on which trading in the Shares on the Stock Exchange was suspended for the whole trading day
- (2) Total trading volume for the month/period is sourced from the website of the Stock Exchange.

## LETTER FROM VINCO CAPITAL

- (3) Based on 1,123,800,000 Shares in issue as at the Latest Practicable Date.
- (4) Based on 356,090,000 Shares held by the public as at the Latest Practicable Date.
- (5) Trading in Shares was halted from 13 January 2020 to 17 January 2020 (both days inclusive).

As illustrated from the above table, the average daily trading volume of the Shares during the Review Period ranged from approximately 1,178,909 Shares to approximately 15,248,605 Shares, representing approximately 0.10% and approximately 1.36% of the total number of Shares in issue as at the corresponding month respectively, and approximately 0.33% and 4.28% of the total number of Shares held by the public Shareholders. The average daily trading volume of Shares during the Review Period was generally thin.

Given the thin historical average daily trading volume of the Shares, it is uncertain that the overall liquidity of the Shares could be maintained and that there would be sufficient liquidity in the Shares for the Independent Shareholders to dispose of a significant number of Shares in the open market without exerting a downward pressure on the Share price. We, therefore, consider that the Offer provides the Independent Shareholders with an assured exit if they wish to realise their investments in the Shares.

### 10. Comparable analysis

In order to assess the fairness and reasonableness of the Offer Price, we considered using the equity value multiples, namely, price-to-earnings ratio (“**P/E Ratio**”), price-to-sales ratio (the “**P/S Ratio**”) and price to book ratio (the “**P/B Ratio**”), which are the most commonly used benchmarks in assessing the financial valuation of a company to compare the Offer Price against the market valuation of other comparable companies as the data for calculating the ratios can be obtained fairly and directly from publicly available information. However, given that the P/B Ratio is mainly used in evaluating capital intensive business, since the cash and cash equivalents represented approximately 28.97% of the Company’s total assets as at 31 March 2019, but the property, plant and equipment represented approximately 0.62% of its total assets as at 31 March 2019, we consider the business model of the Company is asset-light and P/B Ratio is not applicable for comparison purpose in assessing the fairness and reasonableness of the Offer Price.

We have conducted a research to identify comparable companies listed on the Stock Exchange which are primarily engaged in businesses similar to those of the Group based on the criteria that the comparable companies will need to be (i) engaged in sales of apparel, excluding specialized products, revenue of which represent at least 70% of total sales; (ii) having the revenue not concentrated in one region; (iii) having a market capitalization below HK\$1,000 million in view of that the market capitalisation of the Company was approximately HK\$618 million as at the Latest Practicable Date; and (iv) recorded profit for their latest respective financial year. We consider it appropriate to set a market capitalization of the comparable companies of no more than HK\$1,000 million, having considered the market capitalisation of the Company of approximately HK\$618 million based on the Offer Price, as this enables a more levelled comparison against the Company while still obtaining a sufficient number of comparable companies.



## LETTER FROM VINCO CAPITAL

In this regard, we have identified two companies (the “**Comparable Companies**”) based on our research on the website of the Stock Exchange in accordance with the above-mentioned four criteria, namely Crocodile Garments Limited (SEHK: 0122) and YGM Trading Limited (SEHK: 0375), which we consider to be exhaustive.

Whilst the scale of operations, financial position, market capitalisation and future prospects of the Comparable Companies are not exactly the same as the Company, given that we have included all available Comparable Companies listed on the Stock Exchange based on our selection criteria, we are of the view that the Comparable Companies serve as a reference in assessing the fairness and reasonableness of the Offer Price and also that the list of Comparable Companies is fair, sufficient and representative sample.

Company name (Stock Code)	Principal business	Market capitalisation as at the Latest Practicable Date	Turnover for the preceding financial year	P/S Ratio	Profit/(loss) Attributable to shareholders for the preceding financial year	P/E Ratio
		(HK\$ million) (i)	(HK\$ million) (ii)	(times) (iii)=(i)/(ii)	(HK\$ million) (iv)	(note 4) (times) (v)=(i)/(iv)
Crocodile Garments Limited (122)	Manufacture, retail and wholesale of fashions in Hong Kong, Macau and Mainland China	459.6	235.3	2.0	30.6	15.0
YGM Trading Limited (375)	Retail and wholesaling of branded garments and accessories	585.5	360.7	1.6	91.1	6.4
	Maximum			2.0		15.0
	Minimum			1.6		6.4
	Average			1.8		10.7
<b>The Group</b>	Sale of apparel	618.1 (Note 1)	186.5	3.3 (the “Implied P/S”)	18.7	33.1 (the “Implied P/E”)

Source: website of the Stock Exchange (<http://www.hkex.com.hk>)

Notes:

1. Calculated by the Offer Price of HK\$0.55 per Offer Share multiplied by the total number of issued Shares of 1,123,800,000 as at the Latest Practicable Date.

## LETTER FROM VINCO CAPITAL

### *P/S Ratio*

As illustrated in the table set out above, the P/S Ratio of the Comparable Companies ranged from approximately 1.6 times to approximately 2.0 times, with an average of approximately 1.8 times. Accordingly, the Implied P/S Ratio of approximately 3.3 times is higher than the average P/S of approximately 1.8 times and the highest among Comparable Companies.

### *P/E Ratio*

As illustrated in the table set out above, the P/E Ratio of the Comparable Companies ranged from approximately 6.4 times to approximately 15.0 times, with an average of approximately 10.7 times. Accordingly, the Implied P/E of approximately 33.1 times is higher than the average P/E Ratio of approximately 10.7 times and the highest among Comparable Companies.

In light of the above, we are of the view that the Offer price is fair and reasonable so far as the Independent Shareholders are concerned.

## **11. Recommendation**

Taking into consideration the abovementioned factors and reasons for the Offer, in particular:

- (i) when compared to the corresponding periods in 2019, the Group's net profit for the year ended 31 March 2019 increased by approximately 19.1% and the Group recorded an unaudited net loss for the six months ended 30 September 2019 mainly due to (a) decreasing in gross profit; and (b) the difficult business environment due to the US China trade wars;
- (ii) there could be uncertainties in the management of the Group given that the proposed new executive Director of the Group do not have any previous experience in the current principal business of the Group;
- (iii) based on our research on the industry and business prospect, we noted that unfavourable factors including imposed US tariff on China's products and uncertain world trade and geo-political situation as mentioned above in the "Business prospect of the Group". The Group is facing uncertainties and severe competitive business environment in the near future;
- (iv) the Offer Price represents 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;

## LETTER FROM VINCO CAPITAL

- (v) the Offer represents an opportunity for Shareholders to realise their investment since Shareholders may not be able to dispose large quantities of Shares without exerting downward pressure on the price of Shares in the open market given the low liquidity of the Shares; and
- (vi) the Offer price is fair and reasonable with the comparison of P/S Ratio and P/E Ratio of the Comparable Companies,

we are of the view that the terms of the Offer are fair and reasonable so far as the Independent Shareholders are concerned. Accordingly, we recommend the Independent Board Committee to advise the Independent Shareholders to accept the Offer.

**The Independent Shareholders, in particular those who intend to accept the Offer, are reminded to note the recent fluctuation in the price of the Shares. Since Post-Announcement Period, the Share price are higher than the Offer Price. As such, we would like to remind the Independent Shareholders to closely monitor the market price and liquidity of the Shares during the Offer Period, and consider selling their Shares in the open market, if the net proceeds from the sale of such Shares in the market would exceed the net proceeds receivable under the Offer. Nevertheless, given that the trading volume of the Shares has been thin during the Review Period, Independent Shareholders should be mindful as to whether there will be sufficient liquidity in the Shares for the Independent Shareholders who wish to realise part or all of their investment in the Company at the prevailing market price of the Shares and whether their disposal of the Shares will exert a downward pressure on the market price of the Shares.**

The Independent Shareholders are also reminded that their decisions to dispose or hold their investment in the Shares are subject to their individual circumstances and investment objectives and they are reminded to carefully (i) monitor the stock market and the trading price and liquidity of the Shares before the end of the Offer and consider selling their Shares in the open market, where possible, rather than accepting the Offer if the net proceeds from the market sale of their Shares after deducting all transaction costs are more than the net amount to be received under the Offer; and (ii) evaluate the future prospects of the Group. The Independent Shareholders should read carefully the procedures for accepting the Offer as detailed in the Composite Document, the appendices to the Composite Document and the Form of Acceptance, if they wish to accept the Offer.

Yours faithfully,  
For and on behalf of  
**Vinco Capital Limited**  
**Alister Chung**  
*Managing Director*

*Note:* Mr. Alister Chung is a licensed person registered with the Securities and Future Commission of Hong Kong and a responsible officer of Vinco Capital Limited to carry out type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the SFO and has participated in and completed various advisory transactions involving companies listed in Hong Kong in respect of the Takeovers Code for over 10 years.

**1. PROCEDURES FOR ACCEPTANCE OF THE OFFER**

To accept the Offer, you should complete and sign the accompanying Form of Acceptance in accordance with the instructions printed thereon, which instructions form part of the Offer.

- (a) If the share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Shares is/are in your name, and you wish to accept the Offer, you must send the Form of Acceptance duly completed and signed together with the relevant share certificate(s) and/or transfer receipt(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) to the Registrar, Boardroom Share Registrars (HK) Limited at Room 2103B, 21/F, 148 Electric Road, North Point, Hong Kong, by post or by hand, marked “Season Pacific Holdings Limited — Offer” on the envelope, in any event not later than 4:00 p.m., on the Closing Date or such later time and/or date as the Offeror may determine and announce in accordance with the Takeovers Code.
- (b) If the share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Shares is/are in the name of a nominee company or a name other than your own, and you wish to accept the Offer whether in full or in part of your Shares, you must either:
  - (i) lodge your share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) with the nominee company, or other nominee, with instructions authorising it to accept the Offer on your behalf and requesting it to deliver in an envelope marked “Season Pacific Holdings Limited — Offer” the duly completed and signed Form of Acceptance together with the relevant share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) to the Registrar; or
  - (ii) arrange for the Shares to be registered in your name by the Company through the Registrar, and deliver in an envelope marked “Season Pacific Holdings Limited — Offer” the duly completed and signed Form of Acceptance together with the relevant share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) to the Registrar; or
  - (iii) if your Shares have been lodged with your licensed securities dealer/registered institution in securities/custodian bank through CCASS, instruct your licensed securities dealer/registered institution in securities/custodian bank to authorise HKSCC Nominees Limited to accept the Offer on your behalf on or before the deadline set by HKSCC Nominees Limited. In order to meet the deadline set by HKSCC Nominees Limited, you should check with your licensed securities dealer/registered institution in securities/custodian bank for the timing on the

processing of your instruction, and submit your instruction to your licensed securities dealer/registered institution in securities/custodian bank as required by them; or

- (iv) if your Shares have been lodged with your investor participant's account maintained with CCASS, authorise your instruction via the CCASS Phone System or CCASS Internet System on or before the deadline set by HKSCC Nominees Limited.
- (c) If the share certificate(s) and/or transfer receipts and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Shares is/are not readily available and/or is/are lost and you wish to accept the Offer in respect of your Shares, the Form of Acceptance should nevertheless be duly completed and signed and delivered in an envelope marked "Season Pacific Holdings Limited — Offer" to the Registrar together with a letter stating that you have lost one or more of your share certificate(s) and/or transfer receipts and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) or that it/they is/are not readily available. If you find such document(s) or if it/they become(s) available, it/they should be forwarded to the Registrar as soon as possible thereafter. If you have lost your share certificate(s), you should also write to the Registrar for a letter of indemnity which, when completed in accordance with the instructions given, should be returned to the Registrar.
- (d) If you have lodged transfer(s) of any of your Shares for registration in your name and have not yet received your share certificate(s), and you wish to accept the Offer in respect of your Shares, you should nevertheless complete and sign the Form of Acceptance and deliver it in an envelope marked "Season Pacific Holdings Limited — Offer" to the Registrar together with the transfer receipt(s) duly signed by yourself. Such action will be deemed to be an irrevocable instruction and authority to each of Kingston Securities and/or the Offeror and/or any of their respective agent(s) to collect from the Company or the Registrar on your behalf the relevant share certificate(s) when issued and to deliver such certificate(s) to the Registrar and to authorise and instruct the Registrar to hold such share certificate(s), subject to the terms and conditions of the Offer, as if it was/they were delivered to the Registrar with the Form of Acceptance.

- (e) Acceptance of the Offer will be treated as valid only if the duly completed and signed Form of Acceptance is received by the Registrar by no later than 4:00 p.m. on the Closing Date or such later time and/or date as the Offeror may determine and announce in accordance with the Takeovers Code and the Registrar has recorded that the Form of Acceptance and any relevant documents required have been so received, and is:
- (i) accompanied by the relevant share certificate(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) and, if those Share certificate(s) is/are not in your name, such other documents (e.g. a duly stamped transfer of the relevant Share(s) in blank or in your favour executed by the registered holder) in order to establish your right to become the registered holder of the relevant Shares; or
  - (ii) from a registered Shareholder or his personal representative (but only up to the amount of the registered holding and only to the extent that the acceptance relates to the Shares which are not taken into account under the other subparagraph of this paragraph (e)); or
  - (iii) certified by the Registrar or the Stock Exchange.

If the Form of Acceptance is executed by a person other than the registered Shareholder, appropriate documentary evidence of authority (such as grant of probate or certified copy of power of attorney) to the satisfaction of the Registrar must be produced.

- (f) In Hong Kong, seller's ad valorem stamp duty arising in connection with acceptances of the Offer will be payable by relevant Independent Shareholders at a rate of 0.1% of the market value of the Offer Shares or consideration payable by the Offeror in respect of the relevant acceptances of the Offer, whichever is higher, will be deducted from the cash amount payable by the Offeror to the relevant Independent Shareholder accepting the Offer (where the amount of stamp duty is a fraction of a dollar, the stamp duty will be rounded up to the nearest dollar). The Offeror will arrange for payment of the seller's ad valorem stamp duty on behalf of relevant Independent Shareholders accepting the Offer and will pay the buyer's ad valorem stamp duty in connection with the acceptance of the Offer and the transfer of the Shares.
- (g) No acknowledgement of receipt of any Form of Acceptance, share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) will be given.
- (h) The address of the Registrar is Room 2103B, 21/F, 148 Electric Road, North Point, Hong Kong.

## 2. SETTLEMENT

- (a) Provided that valid Form of Acceptance and the relevant share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title and/or transfer receipt(s) (and/or any satisfactory indemnity or indemnities required in respect thereof) have been received by the Registrar no later than the latest time for acceptance, a cheque for the amount due to each accepting Shareholder, less the seller's ad valorem stamp duty payable by him/her/it, will be despatched to such Shareholder by ordinary post at his/her/its own risk as soon as possible but in any event within seven Business Days following the date on which all the relevant documents are received by the Registrar to render such acceptance complete and valid.
- (b) Settlement of the consideration to which any Shareholders are entitled under the Offer will be implemented in full in accordance with the terms of the Offer (save with respect of the payment of seller's ad valorem stamp duty), without regard to any lien, right of set-off, counterclaim or other analogous right to which the Offeror may otherwise be, or claim to be, entitled against such Shareholders.

## 3. ACCEPTANCE PERIOD AND REVISIONS

- (a) Unless the Offer has previously been revised or extended with the consent of the Executive, all acceptances of the Offer must be received by the Registrar by 4:00 p.m. on Thursday, 19 March 2020, being the Closing Date. The Offer is unconditional.
- (b) If the Offer is extended or revised, the announcement of such extension or revision shall state the next Closing Date or that the Offer will remain open until further notice. For the latter case, at least 14 days' notice in writing will be given to the Shareholders who have not accepted the Offer before the Offer is closed, and an announcement in respect thereof shall be released. If the Offeror revises the terms of the Offer, all Independent Shareholders, whether or not they have already accepted the Offer, will be entitled to accept the revised Offer under the revised terms. The execution by or on behalf of any Independent Shareholder who has previously accepted the Offer shall be deemed to constitute acceptance of the revised Offer unless such holder becomes entitled to withdraw his/her/its acceptance and duly does so.
- (c) If the Closing Date is extended, any reference in this Composite Document and in the Form of Acceptance to the Closing Date shall, except where the context otherwise requires, be deemed to refer to the Closing Date so extended.

## 4. NOMINEE REGISTRATION

To ensure equality of treatment of all Independent Shareholders, those registered Independent Shareholders who hold the Shares as nominees 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.

## 5. ANNOUNCEMENTS

- (a) By 6:00 p.m. on Thursday, 19 March 2020 (or such later time and/or date as the Executive may in exceptional circumstances permit) which is the Closing Date, the Offeror must inform the Executive and the Stock Exchange of its decision in relation to the expiry, revision or extension of the Offer. The Offeror must post an announcement on the Stock Exchange's website by 7:00 p.m. on the Closing Date stating the results of the Offer and whether the Offer has been revised or extended.

The announcement must state the total number of Shares and rights over Shares:

- (i) for which acceptances of the Offer have been received;
- (ii) held, controlled or directed by the Offeror or persons acting in concert with it before the Offer Period; and
- (iii) acquired or agreed to be acquired during the Offer Period by the Offeror or persons acting in concert with it.

The announcement must also include details of any 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) and specify the percentages of the issued share capital of the Company and the percentages of voting rights of the Company represented by these numbers.

- (b) In computing the total number of Shares represented by acceptances, only valid acceptances that are complete, in good order and fulfill the acceptance conditions set out in paragraph 1(e) of this Appendix, and which have been received by the Registrar by no later than 4:00 p.m. on the Closing Date, being the latest time and date for acceptance of the Offer, shall be included.
- (c) As required under the Takeovers Code, all announcements in respect of the Offer must be made in accordance with the requirements of the Takeovers Code and the Listing Rules.

## 6. RIGHT OF WITHDRAWAL

- (a) Acceptance of the Offer tendered by any Independent Shareholders shall be irrevocable and cannot be withdrawn, except in the circumstances set out below.



- (b) If the Offeror is unable to comply with the requirements set out in the paragraph headed “Announcements” above, as set out in Rule 19.2 of the Takeovers Code, the Executive may require that the Independent Shareholders who have tendered acceptances to the Offer be granted a right of withdrawal on terms that are acceptable to the Executive until the requirements set out in that rule are met.
- (c) In such case, if the Independent Shareholders withdraw their acceptances, the Offeror and Registrar shall, as soon as possible but in any event within ten days thereof, return by ordinary post the share certificate(s), and/or transfer receipt(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of the Shares lodged with the Form of Acceptance to the relevant Independent Shareholders.

## 7. OVERSEAS INDEPENDENT SHAREHOLDERS

The making of the Offer to the Overseas Independent Shareholders may be prohibited or affected by the laws of the relevant jurisdictions in which they are resident. Overseas Independent Shareholders should obtain appropriate legal advice regarding the implications of the Offer in the relevant jurisdictions or keep themselves informed about and observe any applicable legal or regulatory requirements. It is the responsibility of Overseas Independent Shareholders who wish to accept the Offer to satisfy themselves as to the full observance of the laws and regulations of all relevant jurisdictions in connection with the acceptance of the Offer (including but not limited to the obtaining of any governmental, exchange control or other consents and any registration or filing which may be required and the compliance with all other necessary formalities, regulatory and/or legal requirements and the payment of any transfer or other taxes due by the accepting Overseas Independent Shareholders).

**Acceptance of the Offer by any Overseas Independent Shareholder will be deemed to constitute a warranty by such person that such person is permitted under applicable laws and regulations to receive and accept the Offer, and any revision thereof, and such acceptance shall be valid and binding in accordance with all applicable laws and regulations. Any such person is recommended to seek professional advice on deciding whether or not to accept the Offer.**

## 8. GENERAL

- (a) All communications, notices, Form of Acceptance, share certificates, transfer receipts, other documents of title (and/or any satisfactory indemnity or indemnities required in respect thereof) and remittances to settle the consideration payable under the Offer to be delivered by or sent to or from the Independent Shareholders will be delivered by or sent to or from them, or their designated agents by post at their own risk, and 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 do not accept any liability for any loss or delay in postage or any other liabilities that may arise as a result thereof.

- (b) The provisions set out in the Form of Acceptance form part of the terms of the Offer.
- (c) The accidental omission to despatch this Composite Document and/or Form of Acceptance or any of them to any person to whom the Offer is made will not invalidate the Offer in any way.
- (d) The Offer is, and all acceptances will be, governed by and construed in accordance with the laws of Hong Kong.
- (e) Due execution of the Form of Acceptance will constitute an irrevocable authority to the Offeror, Kingston Securities or such person or persons as the Offeror may direct to complete, amend and execute any document on behalf of the person or persons accepting the Offer and to do any other act that may be necessary or expedient for the purposes of vesting in the Offeror, or such person or persons as it may direct, the Shares in respect of which such person or persons has/have accepted the Offer.
- (f) Acceptance of the Offer by any person or persons will be deemed to constitute a warranty by such person or persons to the Offeror and the Company that the Shares under the Offer are free from all third party rights and Encumbrances whatsoever and together with all rights accruing or attaching thereto including the rights to receive in full all dividends and distributions recommended, declared, made or paid on or after the date on which the Offer is made.
- (g) References to the Offer in this Composite Document and the Form of Acceptance shall include any revision and/or extension thereof.
- (h) The making of the Offer to the Overseas Independent Shareholders may be prohibited or affected by the laws of the relevant jurisdictions. The Overseas Independent Shareholders should inform themselves about and observe any applicable legal or regulatory requirements. It is the responsibility of each Overseas Independent Shareholders who wishes to accept the Offer to satisfy himself/herself/itself as to the full observance of the laws and regulations of all relevant jurisdictions in connection therewith, including, but not limited to the obtaining of any governmental, exchange control or other consents and any registration or filing which may be required and the compliance with all necessary formalities, regulatory and/or legal requirements. Such Overseas Independent Shareholders shall be fully responsible for the payment of any transfer or other taxes and duties due by such Overseas Independent Shareholders in respect of the relevant jurisdictions. The Overseas Independent Shareholders are recommended to seek professional advice on deciding whether or not to accept the Offer.
- (i) Acceptances of the Offer by any persons will be deemed to constitute a warranty by such persons that such persons are permitted under all applicable laws and regulations to receive and accept the Offer, and any revision thereof, and such acceptances shall be valid and binding in accordance with all applicable laws and regulations. Any such persons will be responsible for any such issue, transfer and other applicable taxes or other governmental payments payable by such persons.

- (j) Subject to the Takeovers Code, the Offeror reserves the right to notify any matter (including the making of the Offer) to all or any Independent Shareholders and with registered address(es) outside Hong Kong or whom the Offeror, Kingston Securities or Kingston Corporate Finance, knows to be nominees, trustees or custodians for such persons by announcement in which case such notice shall be deemed to have been sufficiently given notwithstanding any failure by any such Independent Shareholders to receive or see such notice, and all references in this Composite Document to notice in writing shall be construed accordingly.
- (k) In making their decision, the Independent Shareholders must rely on their own examination of the Offeror, the Group and the terms of the Offer, including the merits and risks involved. The contents of this Composite Document, including any general advice or recommendation contained herein, together with the Form of Acceptance, shall not be construed as any legal or business advice on the part of the Offeror and parties acting in concert with it, the Company, Kingston Corporate Finance, Kingston Securities, Vinco Capital, or any of their respective ultimate beneficial owners, directors, officers, agents, professional advisers or any other persons involved in the Offer. The Independent Shareholders should consult their own professional advisers for professional advice.
- (l) The English texts of this Composite Document and the Form of Acceptance shall prevail over their respective Chinese texts for the purpose of interpretation in case of inconsistency.

## 1. SUMMARY OF FINANCIAL INFORMATION OF THE GROUP

The following is a summary of the financial results of the Group for each of three years ended 31 March 2019 and six months ended 30 September 2018 and 2019 respectively as extracted from the published annual and interim reports of the Company.

### Results

	For the six months ended 30 September		For the year ended 31 March		
	2019	2018	2019	2018	2017
	(unaudited) HK\$'000	(unaudited) HK\$'000	(audited) HK\$'000	(audited) HK\$'000	(audited) HK\$'000
Revenue	132,746	132,203	186,519	279,382	206,219
Profit/(Loss) before income tax	(47,344)	(1,397)	18,987	20,706	30,501
Income tax expense	<u>(130)</u>	<u>(1,874)</u>	<u>(305)</u>	<u>(5,018)</u>	<u>(5,358)</u>
Profit/(Loss) for the period/year	<u>(47,474)</u>	<u>(3,271)</u>	<u>18,682</u>	<u>15,688</u>	<u>25,143</u>
Attributable to:					
Owners of the Company	(47,474)	(3,271)	18,682	15,688	25,143
Non-controlling interests	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
	<u>(47,474)</u>	<u>(3,271)</u>	<u>18,682</u>	<u>15,688</u>	<u>25,143</u>
Basic earnings/(loss) per share (HK cents)	<u>(4.22)</u>	<u>(0.30)</u>	<u>1.69</u>	<u>1.57</u>	<u>2.51</u>
Diluted earnings/(loss) per share (HK cents)	<u>(4.22)</u>	<u>(0.30)</u>	<u>1.67</u>	<u>1.57</u>	<u>2.51</u>

**Assets and liabilities**

	<b>At 31 March</b>		
	<b>2019</b>	<b>2018</b>	<b>2017</b>
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Non-current assets	60,542	4,841	6,032
Current assets	119,914	110,854	84,877
Current liabilities	(9,384)	(33,042)	(29,287)
Non-current liabilities	<u>(250)</u>	<u>(250)</u>	<u>(250)</u>
<b>Total equity</b>	<b><u>170,822</u></b>	<b><u>82,403</u></b>	<b><u>61,372</u></b>
Attributable to:			
Owners of the Company	170,822	82,403	61,372
Non-controlling interests	<u>—</u>	<u>—</u>	<u>—</u>
	<b><u>170,822</u></b>	<b><u>82,403</u></b>	<b><u>61,372</u></b>

*Notes:*

1. No qualified opinion in respect of the audit of the Group for the three years ended 31 March 2017, 2018 and 2019 respectively has been issued by the auditors of the Company.
2. There were no exceptional items because of size, nature or incidence recorded in the audited consolidated financial statements of the Group for the three years ended 31 March 2017, 2018 and 2019 respectively and in the unaudited condensed consolidated financial statements for the six months ended 30 September 2019.
3. There was no dividend declared by the Company for the three years ended 31 March 2017, 2018 and 2019 and for the six months ended 30 September 2019.

There has been no change of auditors of the Company in the past three financial years. The auditors of the Company did not issue any qualified or modified opinion on the respective financial statements of the Group for the three years ended 31 March 2017, 2018 and 2019 respectively.

**2. FINANCIAL INFORMATION OF THE GROUP**

The Company is required to set out or refer to in this Composite Document (i) the consolidated statement of financial position, consolidated statement of cash flows and any other primary statement as shown in the audited consolidated financial statements of the Group for the year ended 31 March 2019 (the “**Latest Financial Statements**”), together with the notes to the relevant published accounts which are of major relevance to the appreciation of the above financial information; and (ii) certain financial information of the unaudited financial information of the Group for the six months ended 30 September 2019 (the “**Latest Interim Statements**”).

The Latest Financial Statements are set out from page 39 to page 83 in the annual report for the financial year ended 31 March 2019 of the Company, which was published on 29 July 2019 (<https://www1.hkexnews.hk/listedco/listconews/sehk/2019/0729/ltn20190729343.pdf>). The Latest Interim Statements are set out from page 2 to page 25 in the interim report for the six months ended 30 September 2019 of the Company, which was published on 19 December 2019 (<https://www1.hkexnews.hk/listedco/listconews/sehk/2019/1219/2019121900352.pdf>). The said annual report and the said interim report are posted on both the websites of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the website of the Company ([www.seasonpacific.com](http://www.seasonpacific.com)).

The Latest Financial Statements and the Latest Interim Statements are incorporated by reference into this Composite Document and form part of this Composite Document.

### 3. STATEMENT OF INDEBTEDNESS

#### Borrowings

At the close of business on 31 January 2020, being the latest practicable date for the purpose of the statement of indebtedness prior to the printing of this Composite Document, the Group had total outstanding borrowings approximately HK\$5.2 million, which was lease liabilities.

<b>Lease liabilities as at 31 January 2020</b>	<i>HK\$'000</i>
Current	4,078
Non-current	<u>1,146</u>
Total	<u><u>5,224</u></u>

#### Contingent liabilities

At the close of business on 31 January 2020, being the latest practicable date for the purpose of the statement of indebtedness prior to the printing of this Composite Document, the Company has no contingent liabilities or guarantees.

Save as aforesaid or as otherwise disclosed herein and apart from intra-group liabilities, normal trade and other payables, the Group did not have any other loan capital issued or agreed to be issued, bank overdrafts, loans, debt securities issued and outstanding, and authorised or otherwise created but unissued and term loans or other borrowings, indebtedness in the nature of borrowings, liabilities under acceptance (other than normal trade bills) or acceptance credits, debentures, mortgages, charges, finance lease or hire purchase commitments, which are either guaranteed, unguaranteed, secured or unsecured, guarantees or other material contingent liabilities outstanding at the close of business on 31 January 2020.

To the best knowledge of the directors of the Group, having made all reasonable enquiries, there has been no material change in indebtedness or contingent liabilities of the Group since 31 January 2020 up to the Latest Practicable Date.

#### 4. MATERIAL CHANGE

The Directors confirm that, save and except for the matters disclosed below, there has been no material change in the financial or trading position or outlook of the Group since 31 March 2019 (being the date to which the latest published audited consolidated financial statements of the Group were made up) up to and including the Latest Practicable Date:

- (a) the interim report for the six-months ended 30 September 2019 of the Company mentioned the Group recorded a loss attributable to the equity holders of the Company for the six months ended 30 September 2019, which was mainly due to (i) decrease of gross profit of approximately HK\$12.5 million, (ii) the losses on sales of equity securities of approximately HK\$34.3 million, and (iii) fair value losses on equity securities of approximately HK\$3.5 million; and
- (b) the announcement of the Company dated 11 November 2019 in respect of the completion of the acquisition of two companies dated 11 November 2019, DA Finance (HK) Limited and DL Securities (HK) Limited (the “**Target Companies**”), in accordance with the terms and conditions of the sale and purchase agreement dated 6 March 2019 which was entered into between the purchaser and the vendor and was supplemented by the supplemental agreement dated 7 August 2019 (the “**Completion**”). Following the Completion, the Target Companies become indirect wholly-owned subsidiaries of the Company and the results and assets and liabilities of the Target Companies will be incorporated in the consolidated financial statements of the Company.

## 1. RESPONSIBILITY STATEMENT

The sole director and sole shareholder of the Offeror, being Mr. Chen, accepts full responsibility for the accuracy of the information contained in this Composite Document (other than information relating to the Group or the Directors), and confirms, having made all reasonable enquires, that to the best of her knowledge, opinions expressed in this Composite Document (other than opinions expressed by the Directors) have been arrived at after due and careful consideration and there are no other facts not contained in this Composite Document, the omission of which would make any statement in this Composite Document misleading.

## 2. MARKET PRICES

The table below shows the closing price of the Shares quoted on the Stock Exchange on (i) the last day on which trading took place in each of the calendar months during the Relevant Period; (ii) the Last Trading Day; and (iii) the Latest Practicable Date.

Date	Closing price per Share (HK\$)
31 July 2019	0.500
30 August 2019	0.460
30 September 2019	0.480
31 October 2019	0.475
29 November 2019	0.530
31 December 2019	0.670
10 January 2020 ( <i>being the Last Trading Day</i> ) ( <i>Note 1</i> )	0.680
31 January 2020	0.620
24 February 2020 ( <i>being the Latest Practicable Date</i> )	0.640

*Note:*

- Trading of Shares was suspended from 13 January 2020 to 17 January 2020 pending the release of the Joint Announcement.

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.



### 3. INTERESTS IN THE COMPANY AND THE OFFEROR AND ARRANGEMENTS IN CONNECTION WITH THE OFFER

As at the Latest Practicable Date:

- (a) save for the 665,556,000 Shares held by the Offeror and 10,115,000 outstanding Share Options held by Ms. Jiang, neither the Offeror, Mr. Chen nor any person acting in concert with any of them owns or has control or direction over or have any interest in any voting rights or rights over the Shares, options, derivatives, warrants or other securities convertible into Shares;
- (b) save for the Irrevocable Undertakings, neither the Offeror, Mr. Chen nor any person acting in concert with any of them has received any irrevocable commitment to accept or reject the Offer;
- (c) Mr. Li and Mr. Tan have respectively given their Irrevocable Share Undertaking in favour of the Offeror. 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;
- (d) 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, details of which are as follows:

<b>Category and name of Independent Option Holder</b>	<b>Number of outstanding Share Options as at the Latest Practicable Date</b>	<b>Exercise Period</b>	<b>Exercise Price per Share</b>
<b>Directors</b>			
Mr. Cheung	10,000,000	27 October 2017 to 27 October 2027	HK\$0.482
Mr. Li	11,238,000	15 August 2019 to 15 August 2022	HK\$0.476
Ms. Luk Huen Ling Claire	10,000,000	27 April 2018 to 27 April 2028	HK\$0.425
Former Directors	11,238,000	15 August 2019 to 15 August 2022	HK\$0.476
	10,000,000	27 October 2017 to 27 October 2027	HK\$0.482

Category and name of Independent Option Holder	Number of outstanding Share Options as at the Latest Practicable Date	Exercise Period	Exercise Price per Share
Employee(s) of the Group	10,000,000	27 October 2017 to 27 October 2027	HK\$0.482
	10,000,000	27 April 2018 to 27 April 2028	HK\$0.425
Suppliers of goods or services	10,000,000	27 October 2017 to 27 October 2027	HK\$0.482
	40,000,000	27 April 2018 to 27 April 2028	HK\$0.425
	20,230,000	15 August 2019 to 15 August 2022	HK\$0.5

- (e) save for the Sale and Purchase Agreement, there is no arrangement of the kind referred to in the third paragraph of Note 8 to Rule 22 of the Takeovers Code which existed between the Offeror, the Offeror's associates (as defined under the Takeovers Code) or any person acting in concert with it and any other person;
- (f) there is no relevant security (as defined in Note 4 to Rule 22 of the Takeovers Code including shares, warrants, options, derivatives or convertible securities) in the Company which the Offeror or any party acting in concert with it borrowed or lent;
- (g) save for the Irrevocable Undertakings (details of which are set out in the paragraph headed "Irrevocable Share Undertakings and Irrevocable Option Undertakings" in the "LETTER FROM KINGSTON SECURITIES" in this Composite Document), there is no agreement, arrangement or understanding (including any compensation arrangement) existing between the Offeror or any person acting in concert with it and any Directors, recent Directors, Shareholders or recent Shareholders having any connection with or dependent upon the Offer;
- (h) there is no agreement or arrangement to which the Offeror was a party which related to the circumstances in which the Offeror may or may not invoke or seek to invoke a condition to the Offer;
- (i) no benefit (other than statutory compensation) will be given to any Director as compensation for loss of office or otherwise in connection with the Offer; and
- (j) the Offeror has entered into the Facility under which the Offeror is required to pledge the Sale Shares and the Offer Shares to be acquired by the Offeror as collateral (the "**Pledged Shares**"), of which the voting rights of the Pledged Shares would not be transferred to Kingston Securities. Save for the Facility, there was no agreement, arrangement or understanding that any securities of the Company, acquired in pursuance of the Offer would be transferred, charged or pledged to any other persons. Kingston Securities does not have any interest in the Shares, options, derivatives, warrants or other securities convertible into Shares.

#### 4. DEALINGS IN SECURITIES AND ARRANGEMENTS IN RELATION TO DEALINGS

During the Relevant Period:

- (a) save for the Sale Shares, 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 ( <i>note 1</i> )	Purchase	3 July 2019	9,730,000	0.490
DA Capital Management Limited ( <i>note 1</i> )	Purchase	3 July 2019	270,000	0.495
DA Equity Partners Limited ( <i>note 2</i> )	Purchase	27 November 2019	13,100,000	0.510
DA Equity Partners Limited ( <i>note 2</i> )	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
		<b>Total:</b>	<u>127,162,000</u>	
Jiang Xinrong ( <i>note 2</i> )	Grant of Share Option	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 Latest Practicable Date, 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) 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 exercisable from 15 August 2019 to 15 August 2022. As at the Latest Practicable Date, Ms. Jiang has not exercised any right attaching thereto.
- (b) no person owning or controlling any shareholding in the Company with whom the Offeror, or any person acting in concert with the Offeror had any arrangement of the kind referred to in Note 8 to Rule 22 of the Takeovers Code had dealt in any Shares, convertible securities, warrants, options or derivatives of the Company;
- (c) there were no relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company which the Offeror or parties acting in concert with the Offeror had borrowed or lent.

## 5. CONSENTS AND QUALIFICATIONS OF PROFESSIONAL ADVISERS

The followings are the names and the qualifications of the professional advisers whose letters, opinions or advice are contained or referred to in this Composite Document:

<b>Name</b>	<b>Qualifications</b>
Kingston Securities	a corporation licensed to carry out Type 1 (dealing in securities) regulated activity under the SFO
Kingston Corporate Finance	a corporation licenced to carry out Type 6 (advising on corporate finance) regulated activity under the SFO

Each of Kingston Securities and Kingston Corporate Finance has given and has not withdrawn its written consent to the issue of this Composite Document with the inclusion herein of its letter, opinions or advice and references to its names in the form and context in which it appear.

As at the Latest Practicable Date, each of Kingston Securities and Kingston Corporate Finance did not have any shareholding in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

## 6. GENERAL

As at the Latest Practicable Date:

- (a) The registered office of the Offeror was situated at 3/F, J&C Building, Road Town, Tortola, British Virgin Islands VG 1110 and the correspondence address of Mr. Chen, the sole director and sole shareholder of the Offeror, is Unit 2801, Vertical Square, 28 Heung Yip Road, Wong Chuk Hang, Hong Kong.

- (b) The registered office of Kingston Corporate Finance was situated at 72/F, The Center, 99 Queen's Road Central, Central, Hong Kong.
- (c) The registered office of Kingston Securities was situated at 72/F, The Center, 99 Queen's Road Central, Central, Hong Kong.
- (d) The Offeror is wholly owned by Mr. Chen. The principal members of the Offeror's concert group are the Offeror, Mr. Chen, Ms. Jiang, Rapid Raise and DL Global Holdings Limited.
- (e) The ultimate controlling shareholders of Rapid Raise and DL Global Holdings Limited are Mr. Chen and Ms. Jiang. The sole director of Rapid Raise is Mr. Chen and the sole director of DL Global Holdings Limited is Ms. Jiang.
- (f) In the event of inconsistency, the English texts of this Composite Document and the Form of Acceptance shall prevail over their respective Chinese texts.

## 1. RESPONSIBILITY STATEMENT

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

## 2. SHARE CAPITAL

- (a) The authorised share capital of the Company as at the Latest Practicable Date was HK\$100,000,000 divided into 10,000,000,000 Shares of HK\$0.01 each.
- (b) The issued share capital of the Company as at the Latest Practicable Date are as follows:
- (i) as at the Latest Practicable Date:

*Authorised:*

<u>10,000,000,000</u> Shares	<u>HK\$100,000,000</u>
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*Issued and fully paid up or credited as fully paid up:*

<u>1,123,800,000</u> Shares	<u>HK\$11,238,000</u>
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- (c) Each of the Shares in issue ranks *pari passu* in all respects with each other, including, in particular, as to rights in respect of capital, dividends and voting.
- (d) The number of Shares in issue as at 31 March 2019, being the date to which the latest audited financial statements of the Company were made up, was 1,123,800,000. No Shares were issued from 31 March 2019 to the Latest Practicable Date.
- (e) As at the Latest Practicable Date, the Company has a total of 152,821,000 outstanding Share Options granted under the Share Option Scheme.
- (f) Save for the 1,123,800,000 issued Shares and the 152,821,000 outstanding Share Options, the Company does not have any other shares, options, warrants, derivatives or other securities that carry a right to subscribe for or which are convertible into Shares as at the Latest Practicable Date.

- (g) There has been no alteration to the authorised share capital of the Company since 31 March 2019, being the date to which the latest published audited consolidated financial statements of the Group were made up. There has been no increase in the issued share capital of the Company since 31 March 2019 and up to the Latest Practicable Date.
- (h) The Shares are listed and traded on the Main Board. None of the Shares is listed, or dealt in, on any other stock exchange, nor is any listing of or permission to deal in Shares being, or proposed to be, sought on any other stock exchange.

### 3. MARKET PRICES

The table below shows the closing price of the Shares as quoted on the Stock Exchange on (i) the last trading day of each of the calendar months during the Relevant Period; (ii) the Last Trading Day; and (iii) the Latest Practicable Date.

Date	Closing price per Share (HK\$)
31 July 2019	0.500
30 August 2019	0.460
30 September 2019	0.480
31 October 2019	0.475
29 November 2019	0.530
31 December 2019	0.670
10 January 2020 ( <i>being the Last Trading Day</i> ) ( <i>Note 1</i> )	0.680
31 January 2020	0.620
24 February 2020 ( <i>being the Latest Practicable Date</i> )	0.640

*Note:*

- Trading in the Shares was suspended during the period from 13 January 2020 to 17 January 2020 pending the release of the Joint Announcement.

#### 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 per Share on 20 January 2020; and
- the lowest closing price of the Shares as quoted on the Stock Exchange was HK\$0.46 per Share on 15 August, 30 August, 2 September, 3 September, 4 September, 5 September, 9 September and 18 October 2019.

#### 4. DISCLOSURE OF INTERESTS

##### (a) Directors' and chief executive's interests and short positions in the Shares, underlying Shares and debentures of the Company and its associated corporations

As at the Latest Practicable Date, none of the Directors of the Company had any interests or short positions in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were required pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 of the Listing Rules relating to securities transactions by Directors to be notified to the Company and the Stock Exchange, except the following:

Name of Directors	Capacity in which interests were held	Number of Shares held	Approximate % of shareholding as at the Latest Practicable Date
Ms. Jiang (Notes 1, 2 and 3)	Interest of spouse	443,138,000	39.43%
	Interest of controlled corporation	222,418,000	19.79%
	Beneficial owner	10,115,000	0.90%
Mr. Li (Note 4)	Beneficial owner	113,392,000	10.09%
Mr. Cheung (Note 5)	Beneficial owner	10,000,000	0.89%
Ms. Luk Huen Ling (Note 5)	Beneficial owner	10,000,000	0.89%

*Notes:*

- (1) The Offeror directly owns 443,138,000 Shares, representing approximately 39.43% of all issued Shares of the Company. Mr. Chen is the sole shareholder of the Offeror. Ms. Jiang is the spouse of Mr. Chen and the executive Director of the Company.
- (2) Rapid Raise, a company wholly owned by DL Global Holdings Limited, of which approximately 30% of the issued share capital is held by Mr. Chen and approximately 36.6% of the issued share capital is held by Ms. Jiang, directly holds 222,418,000 Shares, representing approximately 19.79% of all issued Shares of the Company.



- (3) These 10,115,000 Shares represent the share options granted to Ms. Jiang pursuant to the Share Option Scheme.
- (4) These 113,392,000 Shares represented 102,154,000 Shares held by Mr. Li and the share options granted to Mr. Li, which entitles Mr. Li to subscribe for 11,238,000 Shares pursuant to the Share Option Scheme.
- (5) These 10,000,000 Shares represent the share options granted to each of Mr. Cheung and Ms. Luk Huen Ling pursuant to the Share Option Scheme.

**(b) Substantial shareholders' and other persons' interests and short positions in the Shares, underlying Shares and debentures of the Company**

Save as disclosed under the section headed "Directors' and chief executive's interests and short positions in the Shares, underlying Shares and debentures of the Company and its associated corporations" above, so far as is known to the Directors and chief executive of the Company, as at the Latest Practicable Date, no other persons or companies had interests or short positions in the Shares and underlying Shares of the Company which were required to be disclosed under provisions of Divisions 2 and 3 of Part XV of the SFO or were interested in, directly or indirectly, 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company, except the following:

<b>Name of substantial Shareholders</b>	<b>Capacity in which interests were held</b>	<b>Number of Shares held</b>	<b>Approximate % of shareholding as at the Latest Practicable Date</b>
The Offeror ( <i>Note 1</i> )	Beneficial owner	443,138,000	39.43%
Mr. Chen ( <i>Notes 1 and 2</i> )	Interest of controlled corporation	443,138,000	39.43%
	Interest of spouse	232,533,000	20.69%
Rapid Raise ( <i>Note 2</i> )	Beneficial owner	222,418,000	19.79%
DL Global Holdings Limited ( <i>Note 2</i> )	Interest of controlled corporation	222,418,000	19.79%
Mr. Kiow Wei Hao ( <i>Note 3</i> )	Interest of controlled corporation	63,874,000	5.68%
Celerity Holdings Limited ( <i>Note 3</i> )	Beneficial owner and interest of controlled corporation	57,450,000	5.11%

*Notes:*

- (1) The Offeror directly owns 443,138,000 Shares, representing approximately 39.43% of all issued Shares of the Company. Mr. Chen is the sole shareholder of the Offeror.
- (2) Rapid Raise, a company wholly owned by DL Global Holdings Limited, of which approximately 30% of the issued share capital is held by Mr. Chen and approximately 36.6% of the issued share capital is held by Ms. Jiang, directly holds 222,418,000 Shares, representing approximately 19.79% of all issued Shares of the Company. The share options to subscribe for 10,115,000 Shares were granted to Ms. Jiang pursuant to the Share Option Scheme.
- (3) Celerity Holdings Limited (“**CHL**”), a company wholly owned by Mr. Kiow Wei Hao (“**Mr. Kiow**”), is deemed to be interested in 57,450,000 Shares, which comprises of a direct holding of 51,000,000 Shares and an indirect holding of 6,450,000 through one wholly owned subsidiary of CHL. In addition to the 57,450,000 Shares held by Mr. Kiow through CHL, Mr. Kiow also indirectly holds 6,424,000 Shares through several entities wholly owned by him, therefore Mr. Kiow is deemed to be interested in a total of 63,874,000 Shares.

Save as disclosed above, as at the Latest Practicable Date, so far as is known to the Directors and the chief executive of the Company, the Company had not been notified by any person who had interests or short positions in the Shares, underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who were, directly or indirectly interested in 5% or more of the nominal value of any class of share capital carrying the rights to vote in all circumstances at general meetings of any member of the Group.

## 5. ADDITIONAL DISCLOSURE OF INTERESTS

As at the Latest Practicable Date,

- (a) save as disclosed in the paragraph headed “4. Disclosure of Interests” in this Appendix, none of the Offeror or parties acting in concert with it owns, controls or is interested in any Shares or convertible securities, warrants, options or derivatives in respect of any Shares;
- (b) save as disclosed in the paragraph headed “4. Disclosure of Interests” in this Appendix, none of the Directors were interested in any Shares, convertible securities, warrants, options or derivatives of the Company;
- (c) neither the Company nor the Directors were interested in any shares, convertible securities, warrants, options or derivatives of the Offeror;
- (d) no person who had any arrangement of the kind referred to in Note 8 to Rule 22 of the Takeovers Code with the Company or with any person who is presumed to be acting in concert with the Company by virtue of classes (1), (2), (3) and (5) of the definition of acting in concert or who is an associate of the Company by virtue of classes (2), (3) and (4) of the definition of associate under the Takeovers Code had any dealings in any Shares, convertible securities, warrants, options or derivatives of the Company;

- (e) no Shares, convertible securities, warrants, options or derivatives of the Company were managed on a discretionary basis by fund managers (other than exempt fund managers) connected with the Company;
- (f) neither the Company nor the Directors had borrowed or lent any Shares, convertible securities, warrants, options or derivatives of the Company;
- (g) no benefit had been given or will be given to any Director as compensation for loss of office or otherwise in connection with the Offer;
- (h) save for the appointment of new director as disclosed in the paragraph headed “6. Intention of the Offeror in Relation to the Group” in the “LETTER FROM KINGSTON SECURITIES” in this Composite Document, there was no agreement or arrangement between any Director and any other person which is conditional on or dependent upon the outcome of the Offer or otherwise connected therewith;
- (i) save for the Sale and Purchase Agreement in which Mr. Cheung is interested, there was no material contract entered into by the Offeror or any party acting in concert with it in which any Director had a material personal interest; and
- (j) save for the Irrevocable Undertakings, no person had provided any irrevocable commitment to accept or reject the Offer.

## 6. DEALING IN SECURITIES

- (a) As at the Latest Practicable Date, the Company did not have any beneficial interest in the shares, convertible securities, warrants, options and derivatives of the Offeror, and the Company had not dealt for value in any shares, convertible securities, warrants, options or derivatives of the Offeror during the Relevant Period.
- (b) Since the Relevant Date and up to and including the Latest Practicable Date, no Shares, convertible securities, warrants, options or derivatives of the Company was owned or controlled or dealt with by a subsidiary of the Company or by a pension fund of members of the Group or by a person who is presumed to be acting in concert with the Company by virtue of class (5) of the definition of acting in concert or who is an associate of the Company by virtue of class (2) of the definition of associate under the Takeovers Code (but excluding exempt principal traders and exempt fund managers).
- (c) Since the Relevant Date and up to and including the Latest Practicable Date, no person who had any arrangement of the kind referred to in Note 8 to Rule 22 of the Takeovers Code with the Company or with any person who is presumed to be acting in concert with the Company by virtue of classes (1), (2), (3) and (5) of the definition of acting in concert or who is an associate of the Company by virtue of classes (2), (3) and (4) of the definition of associate under the Takeovers Code had any dealings in any Shares, convertible securities, warrants, options or derivatives of the Company.

- (d) No Shares, convertible securities, warrants, options or derivatives of the Company were managed on a discretionary basis by any fund managers connected with the Company as at the Latest Practicable Date, and none of them had dealt in any Shares, convertible securities, warrants, options or derivatives of the Company during the Relevant Period.
- (e) During the Relevant Period and up to and including the Latest Practicable Date, save for the sale of the Sale Shares as contemplated under the Sale and Purchase Agreement by Mr. Cheung through the Vendor and acquisition of a total of 356,876,000 Shares by Mr. Chen through the Offeror as purchaser at the highest price per share of HK\$0.55 per share and at the average price per share of HK\$0.55 on 13 January 2020, none of the Directors has dealt for value in the Shares, convertible securities, warrants, options or derivatives of the Company or the Offeror.

## 7. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, save as disclosed below, none of the Directors had any existing or proposed service contract with or any remuneration or emoluments received from any member of the Group or associated companies (i) which is not determinable by the Company within 12 months without payment of compensation, other than statutory compensation; (ii) which (including both continuous and fixed term contracts) had been entered into or amended within six months before the Relevant Date; (iii) which were continuous contracts with a notice period of 12 months or more; or (iv) which were fixed term contracts with more than 12 months to run irrespective of the notice period.

Name of Directors	Expiry Date	Fixed Fee per Month	Variable Remuneration
Ms. Jiang	For an initial period of three years commencing from 18 June 2019 renewable automatically for successive terms of one year each, unless terminated by either party giving to the other not less than three months' notice in writing	HK\$120,000	management bonus for each financial year in the amount to be determined by the Board in its absolute discretion, provided that the total amount of bonus payable to all executive Directors shall not exceed 5% of the consolidated audited net profit of the Group for that financial year

Name of Directors	Expiry Date	Fixed Fee per Month	Variable Remuneration
Ms. Chin Ying Ying	For an initial period of three years commencing from 16 May 2018 renewable automatically for successive terms of one year each, unless terminated by either party giving to the other not less than three months' notice in writing	HK\$38,000	management bonus for each financial year in the amount to be determined by the Board in its absolute discretion, provided that the total amount of bonus payable to all executive Directors shall not exceed 5% of the consolidated audited net profit of the Group for that financial year

## 8. LITIGATION

As at the Latest Practicable Date, neither the Company nor any of its subsidiaries was engaged in any litigation, arbitration or claim of material importance and no litigation, arbitration or claim of material importance was known to the Directors to be pending or threatened against the Company or any of its subsidiaries.

## 9. MATERIAL CONTRACTS

Save for the following contracts (not being contracts entered into in the ordinary course of business carried on or intended to be carried on by the Group) which were or might be material, there was no material contract entered into by the Group during the two years immediately preceding the Relevant Date and up to the Latest Practicable Date.

- (1) The placing agreement (the “**Placing Agreement**”) entered into between the Company and a placing agent dated 16 May 2018, pursuant to which the placing agent agrees to procure, on a best effort basis, subscribers to subscribe for a maximum of 125,000,000 new Shares at the price of HK\$0.48 per Share. The details of the Placing Agreement are set out in the announcement of the Company dated 16 May 2018;
- (2) The supplemental agreement to the Placing Agreement dated 23 May 2018 (the “**Supplemental Agreement**”), pursuant to which the maximum number of new Shares under subscription is adjusted from 125,000,000 to 123,800,000 and the subscription price per Share is adjusted from HK\$0.48 to HK\$0.485. The details of the Supplemental Agreement are set out in the announcement of the Company dated 23 May 2018; and

- (3) the sale and purchase agreement (the “**Sale and Purchase Agreement**”) dated 6 March 2019 entered into between Topper Alliance Holding Limited, an indirect wholly-owned subsidiary of the Company (the “**Purchaser**”), and Mr. Chen, pursuant to which the Purchaser conditionally agrees to acquire and Mr. Chen conditionally agrees to sell the entire issued share capital of DA Capital (HK) Limited and DA Finance (HK) Limited at the total consideration of HK\$42 million. The details of the Sale and Purchase Agreement are set out in the announcement of the Company dated 6 March 2019 and circular of the Company dated 16 August 2019.

## 10. EXPERT AND CONSENT

The following are the qualifications of the professional expert who has given opinion or advice, which is contained in this Composite Document:

<b>Name</b>	<b>Qualification</b>
Vinco Capital	a corporation licensed to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO

The above expert has given and has not withdrawn its written consent to the issue of this Composite Document with the inclusion of its letter or report and references to its name and logo in the form and context in which they respectively appear.

As at the Latest Practicable Date, the above expert does not have any direct or indirect interest in any assets which have been, since 31 March 2019 (the date to which the latest published audited consolidated financial statements of the Group were made up), acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group.

## 11. GENERAL

- (a) The registered office of the Company is situated at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands and its principal place of business in Hong Kong is at 5/F, AIA Financial Centre, 112 King Fuk Street, San Po Kong, Kowloon, Hong Kong.
- (b) The Company’s principal share registrar and transfer office of the Company is Conyers Trust Company (Cayman) Limited, Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands.
- (c) The Hong Kong branch share registrar and transfer office of the Company is Boardroom Share Registrars (HK) Limited, Room 2103B, 21/F, 148 Electric Road, North Point, Hong Kong.
- (d) The company secretary of the Company is Mr. Chak Ka Wai.

- (e) The registered address of the Independent Financial Adviser is at Unit 2610, 26/F, The Center, 99 Queen's Road Central, Hong Kong.
- (f) The English text of this Composite Document and the Form of Acceptance shall prevail over the Chinese translation in the case of inconsistency.

## 12. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection (i) during normal business hours of the Company (9:00 a.m. to 5:00 p.m.) on any weekday (public holidays excepted) at the principal office of the Company at 5/F, AIA Financial Centre, 112 King Fuk Street, San Po Kong, Kowloon, Hong Kong from the date of this Composite Document up to and including the Closing Date, (ii) on the website of the Company ([www.seasonpacific.com](http://www.seasonpacific.com)), and (iii) on the website of the SFC ([www.sfc.hk](http://www.sfc.hk)) from the date of this Composite Document up to and including the Closing Date:

- (a) the memorandum and articles of association of the Company;
- (b) the memorandum and articles of association of the Offeror;
- (c) the annual reports of the Company for each of the three financial years ended 31 March 2017, 31 March 2018 and 31 March 2019, respectively;
- (d) the interim report of the Company for the six months ended 30 September 2019;
- (e) the "Letter from Kingston Securities", the text of which is set out in this Composite Document;
- (f) the "Letter from the Board", the text of which is set out in this Composite Document;
- (g) the "Letter from the Independent Board Committee", the text of which is set out in this Composite Document;
- (h) the "Letter from Vinco Capital", the text of which is set out in this Composite Document;
- (i) the written consent referred to in the paragraph headed "10. Expert and Consent" in this Appendix;
- (j) the written consents referred to in the paragraph headed "6. Consents and Qualifications of Professional Advisers" in Appendix III "GENERAL INFORMATION OF THE OFFEROR" to this Composite Document;
- (k) the service contracts referred to in the paragraph headed "7. Directors' Service Contracts" in this Appendix;
- (l) the material contracts referred to under the paragraph headed "9. Material Contracts" in this Appendix; and
- (m) the Irrevocable Share Undertakings.