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SEASON PACIFIC HOLDINGS LIMITED

雲裳衣控股有限公司*

(Incorporated in Cayman Islands with limited liability)

(Stock code on Main Board: 1709)

(Stock code on GEM: 8127)

TRANSFER OF LISTING FROM THE GROWTH ENTERPRISE MARKET TO THE MAIN BOARD OF THE STOCK EXCHANGE OF HONG KONG LIMITED

Financial adviser

AMASSE CAPITAL
寶 積 資 本

On 13 June 2017, the Company made an application to the Stock Exchange for the transfer of listing of the Shares from GEM to the Main Board. The Company has applied for the listing of, and permission to deal in, (i) the 1,000,000,000 Shares in issue; and (ii) the 100,000,000 Shares which may fall to be issued upon the exercise of the share options which may be granted under the Share Option Scheme, on the Main Board by way of transfer of listing from GEM to the Main Board. The approval in principle for the Shares to be listed on the Main Board and delisted from GEM was granted by the Stock Exchange on 14 September 2017. All the pre-conditions for the Transfer of Listing as set out under Rule 9A.02 of the Listing Rules have, insofar as applicable, been fulfilled in relation to the Company and the Shares. The last day of dealings in the Shares on GEM (Stock code: 8127) will be 26 September 2017. Dealings in the Shares on the Main Board (Stock code: 1709) will commence at 9:00 a.m. on 27 September 2017.

* For identification purpose only

The Shares have been successfully listed on GEM on 7 October 2015 and the Placing Price has been determined at HK\$0.15 per Placing Share (as defined in the Prospectus). During the period from the GEM listing and up to the Latest Practicable Date, the closing prices of the Shares (i) fluctuated significantly in a range between HK\$0.465 and HK\$17.92; (ii) surged from HK\$0.15 per Placing Share at the time of the GEM Listing to a record high at HK\$17.92 on 14 December 2016, representing an increase of approximately 119 times to the Placing Price of HK\$0.15; and (iii) then declined to a record low at HK\$0.465 on 22 August 2017, representing a decrease of approximately 97.4% to the closing price of the Shares at HK\$17.92 on 14 December 2016. Shareholders and potential investors should note that the Share price of the Company has been and may continue to be volatile, and they should be aware of the potential risks of and exercise caution when dealing in the Shares of the Company, and should make the decision to invest only after due and careful consideration.

Reference is made to the announcement of the Company dated 13 June 2017 in relation to the formal application submitted to the Stock Exchange for the Transfer of Listing pursuant to the relevant provisions of the GEM Listing Rules and the Listing Rules.

TRANSFER OF LISTING OF THE SHARES FROM GEM TO THE MAIN BOARD

On 13 June 2017, the Company made an application to the Stock Exchange for the transfer of listing of the Shares from GEM to the Main Board. The Company has applied for the listing of, and permission to deal in, (i) the 1,000,000,000 Shares in issue; and (ii) the 100,000,000 Shares which may fall to be issued upon the exercise of the share options which may be granted under the Share Option Scheme, on the Main Board by way of transfer of listing from GEM to the Main Board. The approval in principle for the Shares to be listed on the Main Board and delisted from GEM was granted by the Stock Exchange on 14 September 2017. All the pre-conditions for the Transfer of Listing as set out under Rule 9A.02 of the Listing Rules have, insofar as applicable, been fulfilled in relation to the Company and the Shares.

PUBLICATION OF RESULTS

The Company will not continue quarterly reporting of financial results after the listing of the Shares is successfully transferred to the Main Board and will follow the relevant requirements of the Listing Rules which include publishing its interim results and annual results within two months and three months from the end of the relevant periods or financial year ends, respectively. The Board is of the view that the investors and Shareholders will continue to have access to relevant information on the Company following the reporting requirements under the Listing Rules.

REASONS FOR THE TRANSFER OF LISTING

The Company has been listed on GEM since 7 October 2015. The Company is an investment holding company and its subsidiaries sell apparel products and provide supply chain management total solutions to customers. The Board believes that the Transfer of Listing will improve the liquidity of the Shares and enhance the profile of the Group. The Board also considers that the Transfer of Listing will be beneficial to the future growth and business development of the Group as well as its financing flexibility. There is no intention of the Board to change the nature of business of the Group following the Transfer of Listing. The Transfer of Listing will not involve the issue of any new Shares by the Company.

BUSINESS REVIEW AND PROSPECTS

The Group sells apparel products and provides supply chain management total solutions to customers since its listing.

Business Review

For the three months ended 30 June 2017, the Group recorded an increase in revenue and profit and total comprehensive income attributable to owners of the Company of approximately 82.4% and 4.1% respectively as compared with that for the three months ended 30 June 2016. Despite the continued challenges in the global business environment, the Group was able to record growth in revenue by offering competitive pricing to secure new customers with an aim to expand its market share. The Group performed well in both the American and European market for the three months ended 30 June 2017. In addition, the Group continued to focus on providing both high quality designs and innovative total supply chain solutions to customers for relatively high gross profit margin. For the three months ended 30 June 2017, the Group recorded a drop in gross profit margin in return for the expansion of market share. The increase in the profit and total comprehensive income attributable to owners of the Company for the three months ended 30 June 2017 reflects the Company's objective to maintain balance between business expansion, profitability and shareholders' return.

For the financial year ended 31 March 2017, the Group recorded increases in revenue of approximately 32.3%, gross profit of approximately 31.8% and profit and total comprehensive income attributable to owners of the Company of approximately 512.2% as compared with those for the year ended 31 March 2016. To cope with the challenging global business environment, while the Group continuously provided both high quality designs and innovative total supply chain solutions to the customers for relatively higher gross profit margin, it also struck a balance to expand its market share by offering competitive pricing to secure new customers and maintain a growth in revenue.

For the year ended 31 March 2017, the Group recorded a slight decrease in gross profit margin in return for the expansion of market share. Although there was a decrease in the Group's gross profit margin, nil listing expense incurred for the year ended 31 March 2017 comparing with approximately HK\$13.2 million non-recurring listing expenses incurred for the year ended 31 March 2016, resulted in a significant increase in the profit and total comprehensive income attributable to owners of the Company for the year ended 31 March 2017.

The Group's sales to its top five customers accounted for approximately 81.1%, 76.7%, 63.8% and 71.1% of the total revenue for the three years ended 31 March 2015, 2016 and 2017 and the three months ended 30 June 2017, respectively. The Group's sales to its largest customer accounted for approximately 35.7%, 27.4%, 18.5% and 27.5% of the total revenue for the three years ended 31 March 2015, 2016 and 2017 and the three months ended 30 June 2017, respectively. The Group's strategy is to lower the concentration risk by continuing to grow its business with new customers and this can be seen with the steady decline in the sales to the top five customers as a percentage of the total revenue over the past three years.

The table below sets out the details of the top five customers for the three years ended 31 March 2015, 2016 and 2017:

Customer name	Description on apparel related business	Region	Relationship Length (months)	(Up to July 2017)	For the year ended 31 March 2015	For the year ended 31 March 2016	For the year ended 31 March 2017			
				Sales (HK\$'000)	As % of total revenue	Sales (HK\$'000)	As % of total revenue	Sales (HK\$'000)	As % of total revenue	
1	Customer A	Privately held company: Retail of textile and garments products	Middle East	48	50,259	35.7	42,782	27.4	33,392	16.2
2	Customer B	Privately held company: Sales of apparel products under a French brand substantially through its shops, online platform and retail stores of other parties	Europe	50	36,274	25.8	21,936	14.1	15,634	7.6
3	Customer C	Privately held company: Production and sales of apparel products and shoes	Europe	17	16,534	11.7	NA	NA	NA	NA
4	Customer D	Privately held company: Sourcing of sport apparels for sport club overseas	Asia Pacific	11	7,347	5.2	NA	NA	NA	NA
5	Customer E	Privately held company: Distribution and manufacturing of high quality apparels in the license field and production of its own labels	Europe	23	3,734	2.7	73	0.0	NA	NA
6	Customer F	Privately held company: High-end contemporary fashion brand	America	26	NA	NA	27,151	17.4	38,111	18.5
7	Customer G	Privately held company: High-end contemporary denim brand	America	26	NA	NA	14,750	9.5	17,248	8.4
8	Customer H	Privately held company: Sales of sport apparels for sports clubs	Europe	11	NA	NA	12,951	8.3	NA	NA
9	Customer I	Privately held company: Contemporary denim brand	America	22	NA	NA	1,379	0.9	22,276	10.8
10	Customer J	Privately held company: Sales of apparels products	America	13	NA	NA	NA	NA	20,500	9.9

The table below sets out the details of the top five customers for the three months ended 30 June 2017:

				(Up to July 2017)	For the three months ended 30 June 2017	As % of total revenue
Customer name	Description on apparel related business	Region	Relationship Length (months)	Sales (HK\$'000)		
1	Customer A	Privately held company: Retail of textile and garments products	Middle East	48	6,406	10.5
6	Customer F	Privately held company: High-end contemporary fashion brand	America	26	16,849	27.5
11	Customer K	Publicly listed company: High-end contemporary fashion brand	Europe	10	10,910	17.8
12	Customer L	Privately held company: Sales of apparels products	Asia Pacific	9	5,462	8.9
13	Customer M	Publicly listed company: Global fashion retailer	Europe	2	3,893	6.4

Note: Customer identities (labelled A to M) have not been disclosed due to commercial and confidentiality considerations. In 2015, Customer B represents two customers who are beneficially owned by two individuals who are family members and sourced the same categories of apparel products from the Group for the same French brand, the Company considers these two customers as a whole when determining the Group's major customers.

For the three years ended 31 March 2015, 2016 and 2017 and the three months ended 30 June 2017, the Group's top five suppliers accounted for approximately 45.8%, 45.0%, 50.3% and 50.1% of its total purchases, respectively, with the largest supplier accounting for approximately 11.0%, 12.5%, 17.4% and 13.1% of the total purchases, respectively.

In March 2017, one of the subsidiaries of the Company entered into sales contracts with one of the world's largest fashion retailers. Such customer, headquartered in Spain, owns eight brands, including some of the most internationally popular and successful high street brands and has a total number of more than 7,000 retail stores throughout the world. Having built the business relationship with this customer, the Group demonstrated its strong abilities to solicit new customers such as international top fashion chain.

The Shares were successfully listed on GEM in October 2015. After deducting all the relevant commission and expenses borne by the Company, there were approximately HK\$5.1 million of net proceeds from the Placing. During the period from the GEM listing date to 30 June 2017, approximately HK\$3.2 million was utilised in accordance with the business strategies as set out in the Prospectus.

Subsequent to the GEM listing and up to the Latest Practicable Date, the Group was not involved in any litigation, arbitration, regulatory action, or claim of material importance, and no litigation, arbitration, regulatory action, or claim of material importance was known to the Directors to be pending or threatened by or against the Group, that would have a material adverse effect on the operating results or financial condition. Furthermore, the

Group has obtained all licences, permits, approvals and certificates necessary to conduct its business operations and has complied with all applicable Hong Kong laws in all material respects subsequent to the GEM listing and up to the Latest Practicable Date.

Prospects

The business model of the Group remains consistent with that as described in the Prospectus. The Group's comprehensive range of supply chain management solutions including market trend analysis, design and product development, sourcing, production management, quality control and logistics services is the core of the Group's business, and the Group's future plans and strategy are to continue to provide excellent supply chain management total solutions to its customers. The Group targets to gain greater market share and work with top international fashion chains and develop deep relationships through high quality designs and innovative total supply chain solutions. The Group's professional and experienced teams, with the ability to be flexible and sensitive to the needs of customers (whether it be quality, price or on time delivery), have been recently verified with the entering into sales contracts with one of the world's largest fashion retailers headquartered in Spain (the "**New Customer**"). The Group expected that the initial business with the New Customer, relationship with which has been developed over a period of time by the Group's consultant with extensive network and immense experience in the apparel industry worldwide, will open the door to many other opportunities with this multinational customer with over 7,000 stores throughout the world.

Since the GEM listing, the Group has achieved substantial growth in business from new customers in America. This substantial growth has resulted in a larger segment of the total sales coming from America relative to the other geographic regions such as Europe and the Middle East at the time of the GEM listing. This shift in geographical focus since the GEM listing highlights the management's ability to quickly resolve declining markets while simultaneously entering growing markets. The Group's understanding of market trends and associated market demand gives insight to stronger economic climates such as America, versus economic slowdown in other markets such as the Middle East which was adversely affected by the fluctuation in the oil price, and, European customers becoming more price cautious due to Brexit and the Euro depreciation resulting in a shift in demand from high-end and complex products to products with less design elements in order to lower costs.

Given the challenging European economic outlook for the financial year ended 31 March 2017, the Group proactively targeted and won increased business in the Americas, which presents a more promising economic outlook with signs of resilience in the consumer spending coupled with the US Federal Reserve being more positive on the US economy with near target employment and increasing interest rates. The Group's top customers from the Americas account formed a larger proportion of the Group's revenue and helped to offset the challenges from the European and Middle East markets. These factors altogether contributed to the Group's strong financial result for the financial year ended 31 March 2017. The Group will continue to target to grow its business in countries where an improving economic outlook can be seen. More recent developments seem to indicate that the European economy and the Euro is slowly recovering together with stability of the European Union following the French election and oil prices seem to be on a slow rate of recovery. Should the European and Middle East markets pick up, the Group is well positioned to shift its

geographic balance back towards these recovering markets and achieving an overall strategy of diversified and balanced market exposure. An example of the Group's diversification and re-balancing is the recent sales contract with the New Customer in Spain.

Overall, the Group expects the global business environment to remain challenging in the coming year due to economic and political uncertainty which will create certain pressure to the Group's sales and gross profit margins. Nevertheless, the Directors are confident that the Group has the ability to handle these challenges and to grow organically to become a leading total supply chain management company in Hong Kong with full vertical value propositions to its customers from the factory to the consumer whilst maximising return for the Shareholders.

FINANCIAL PERFORMANCE REVIEW

The following tables are highlights of the consolidated financial performance of the Group for the Track Record Period and the three months ended 30 June 2017, which should be read in conjunction with the financial information of the Group as disclosed in the annual reports of the Company for the years ended 31 March 2015, 2016 and 2017 and the quarterly report of the Company for the three months ended 30 June 2017, respectively, published on both the website of the Stock Exchange (www.hkexnews.hk) and the website of the Company (www.seasonpacific.com).

	For the three months ended 30 June		For the year ended 31 March		
	2017 HK\$000 (unaudited)	2016 HK\$000 (unaudited)	2017 HK\$000 (audited)	2016 HK\$000 (audited)	2015 HK\$000 (audited)
Results					
Revenue	61,273	33,586	206,219	155,933	140,739
Cost of sales	<u>(47,332)</u>	<u>(21,985)</u>	<u>(152,296)</u>	<u>(115,070)</u>	<u>(103,512)</u>
Gross profit	13,941	11,601	53,923	40,863	37,227
Other income	—	—	—	852	146
Selling expenses	(1,588)	(1,300)	(5,669)	(3,094)	(3,557)
General and administrative expenses	<u>(5,934)</u>	<u>(4,292)</u>	<u>(17,692)</u>	<u>(30,900)</u>	<u>(15,805)</u>
Operating profit	6,419	6,009	30,562	7,721	18,011
Finance expenses	<u>(16)</u>	<u>(29)</u>	<u>(61)</u>	<u>—</u>	<u>(6)</u>
Profit before income tax expense	6,403	5,980	30,501	7,721	18,005
Income tax expense	<u>(1,295)</u>	<u>(1,078)</u>	<u>(5,358)</u>	<u>(3,582)</u>	<u>(3,225)</u>
Profit attributable to the owners of the Company for the year	<u>5,108</u>	<u>4,902</u>	<u>25,143</u>	<u>4,139</u>	<u>14,780</u>

Assets and Liabilities	As at 31 March		
	2017 <i>HK\$000</i> (audited)	2016 <i>HK\$000</i> (audited)	2015 <i>HK\$000</i> (audited)
Current assets	84,877	45,444	45,111
Non-current assets	6,032	7,000	1,582
Total assets	90,909	52,444	46,693
Current liabilities	29,287	15,965	22,413
Non-current liabilities	250	250	—
Total liabilities	29,537	16,215	22,413
Net assets	61,372	36,229	24,280
Equity attributable to the owners of the Company	61,372	36,229	24,280

Revenue

The Group's revenue increased to approximately HK\$61.3 million for the three months ended 30 June 2017 from approximately HK\$33.6 million for the three months ended 30 June 2016, representing an increase of approximately 82.4%. This increase was primary due to the increases in both the number of new customers as well as orders from existing customers from the American market, and the increase in sales from the European customers, including but not limited to the New Customer, for the three months ended 30 June 2017.

The Group's revenue increased to approximately HK\$206.2 million for the year ended 31 March 2017 from approximately HK\$155.9 million for the year ended 31 March 2016, representing an increase of approximately 32.3%. This increase was predominantly due to a significant growth in sales to the American market from both an increase in the number of new customers from America as well as increases in orders from customers in America who had placed orders last year. However, some of the increase was offset by a drop in sales to the Middle East due to the overall economic sentiment in the Middle East being adversely affected by the fluctuation in the oil price as well as a drop in sales to Europe due to a discontinuance of order from a customer from Europe which would have exposed the Group to high credit risk.

The Group's revenue increased to approximately HK\$155.9 million for the year ended 31 March 2016 from approximately HK\$140.7 million for the year ended 31 March 2015, representing an increase of approximately 10.8%. Such an increase in the Group's revenue was mainly attributable to new customers in the American market sourced by the Group during the year ended 31 March 2016, which was negated by the drop in sales to certain major customers in other regions.

The Group's revenue from external customers is analysed by region as follows:

	For the three months ended 30 June 2017	For the year ended 31 March		
	2017	2017	2016	2015
	<i>HK\$000</i>	<i>HK\$000</i>	<i>HK\$000</i>	<i>HK\$000</i>
America	32,711	115,712	48,491	7,988
Middle East	6,633	38,571	51,857	54,482
Europe	15,707	32,983	46,333	64,514
Asia Pacific	6,222	18,115	7,402	13,755
Africa	—	838	1,850	—
	<u>61,273</u>	<u>206,219</u>	<u>155,933</u>	<u>140,739</u>
Total	<u>61,273</u>	<u>206,219</u>	<u>155,933</u>	<u>140,739</u>

As at the Latest Practicable Date, all of the Group's trade and bills receivables as at 31 December 2016 and 31 March 2017 had been settled.

Cost of sales

The Group's cost of sales primarily consists of cost of goods sold, employee benefit expenses and other direct costs.

The cost of sales increased to approximately HK\$47.3 million for the three months ended 30 June 2017 from approximately HK\$22.0 million for the three months ended 30 June 2016, representing an increase of approximately 115.0%. The Group's cost of sales increased along with the growth in revenue for the three months ended 30 June 2017.

The cost of sales increased to approximately HK\$152.3 million for the year ended 31 March 2017 from approximately HK\$115.1 million for the year ended 31 March 2016, representing an increase of approximately 32.3%. The Group's cost of sales increased along with the growth in revenue for the year ended 31 March 2017.

The Group's cost of sales increased to approximately HK\$115.1 million for the year ended 31 March 2016 from approximately HK\$103.5 million for the year ended 31 March 2015, representing an increase of approximately 11.2%. The Group's cost of sales increased along with the growth in revenue for the year ended 31 March 2016.

Gross profit and gross profit margin

The Group's gross profit increased to approximately HK\$13.9 million for the three months ended 30 June 2017 from approximately HK\$11.6 million for the three months ended 30 June 2016, representing an increase of approximately 19.8%. The Group's gross profit margin decreased to approximately 22.8% for the three months ended 30 June 2017 from approximately 34.5% for the three months ended 30 June 2016. In order to further expand

the Group's market share, the Group offered competitive pricing for a higher portion of its sales to valuable customers as compared with that for the three months ended 30 June 2016, which diluted the impact of increasing sales with high gross profit margin.

The Group's gross profit increased to approximately HK\$53.9 million for the year ended 31 March 2017 from approximately HK\$40.9 million for the year ended 31 March 2016, representing an increase of approximately 31.8%. The Group's gross profit margin maintained at a steady level of approximately 26.1% for the year ended 31 March 2017 and approximately 26.2% for the year ended 31 March 2016. In order to further expand the Group's market share, the Group offered competitive pricing for greater portion of its sales, which diluted the effect of sales with higher gross profit margin by providing both high quality designs and innovative total supply chain solutions during the year ended 31 March 2017.

The Group's gross profit increased to approximately HK\$40.9 million for the year ended 31 March 2016 from approximately HK\$37.2 million for the year ended 31 March 2015, representing an increase of approximately 9.9%. The Group's gross profit margin maintained at a steady level of approximately 26.2% for the year ended 31 March 2016 and approximately 26.5% for the year ended 31 March 2015.

Selling expenses

Selling expenses mainly consist of sales commission paid to external sales representatives and staff costs of in-house staff whose roles are mainly focused on sourcing new customers.

Selling expenses increased to approximately HK\$1.6 million for the three months ended 30 June 2017 from approximately HK\$1.3 million for the three months ended 30 June 2016, representing an increase of approximately 23.1%. The increase in selling expenses was mainly attributable to the increase in the salary of selling staff and freight charges.

Selling expenses increased to approximately HK\$5.7 million for the year ended 31 March 2017 from approximately HK\$3.1 million for the year ended 31 March 2016, representing an increase of approximately 83.9%. The increase in the Group's selling expenses was mainly attributable to the additional staff costs paid to a new merchandising team since June 2015 and service fee paid to Asian Succeed Limited pursuant to the consultancy agreement entered into with Asian Succeed Limited for provision of consultancy services to the Group in relation to the sales of the Group's products and services since March 2016. Please refer to the section headed "Consultancy Agreement with Asian Succeed Limited" in this announcement for further details and background of the consultancy agreement between the Group and Asian Succeed Limited.

Selling expenses decreased to approximately HK\$3.1 million for the year ended 31 March 2016 from approximately HK\$3.6 million for the year ended 31 March 2015, representing a decrease of approximately 13.9%. The net decrease in the Group's selling expenses was mainly attributable to the drop in commission rate of one of the external sales representatives, which mitigated the impact of additional staff costs paid to a new merchandising team during the year ended 31 March 2016.

General and administrative expenses

General and administrative expenses primarily consist of employee benefit expenses, operating lease rentals mainly for office, entertainment and travelling expenses, depreciation of property, plant and equipment, legal and professional fees and other miscellaneous general and administrative expenses.

General and administrative expenses increased to approximately HK\$5.9 million for the three months ended 30 June 2017 from approximately HK\$4.3 million for the three months ended 30 June 2016, representing an increase of approximately 37.2%. Such increase was mainly due to increases in entertainment and travelling expenses and other expenses including transfer of listing expenses, foreign exchange difference and courier charges.

General and administrative expenses decreased to approximately HK\$17.7 million for the year ended 31 March 2017 from approximately HK\$30.9 million for the year ended 31 March 2016, representing a decrease of approximately 42.7%. Such a decrease was mainly due to nil listing expenses incurred for the year ended 31 March 2017, while approximately HK\$13.2 million non-recurring listing expenses were incurred for the year ended 31 March 2016.

General and administrative expenses increased to approximately HK\$30.9 million for the year ended 31 March 2016 from approximately HK\$15.8 million for the year ended 31 March 2015, representing an increase of approximately 95.6%. Such an increase was mainly attributable to the recognition of non-recurring listing expenses of approximately HK\$13.2 million for the year ended 31 March 2016.

Finance expenses

For the year ended 31 March 2017, the Group had bank borrowings with average interest rate per annum ranging from 1.94% to 2.74%. The Group did not have any bank borrowing for the year ended 31 March 2016.

Profit and total comprehensive income attributable to owners of the Company

Profit and total comprehensive income attributable to owners of the Company increased to approximately HK\$5.1 million for the three months ended 30 June 2017 from approximately HK\$4.9 million for the three months ended 30 June 2016, representing an increase of approximately 4.1%. The increase in profit and total comprehensive income attributable to owners of the Company for the three months ended 30 June 2017 reflects the Company's objective to maintain balance between business expansion, profitability and shareholders' return.

Profit and total comprehensive income attributable to owners of the Company increased to approximately HK\$25.1 million for the year ended 31 March 2017 from approximately HK\$4.1 million for the year ended 31 March 2016, representing an increase of approximately 512.2%. The increase in profit and total comprehensive income was mainly due to nil listing expense incurred for the year ended 31 March 2017, while approximately HK\$13.2 million non-recurring listing expenses incurred for the year ended 31 March 2016, and the increases in sales to the American market and thus the gross profit for the year ended 31 March 2017.

Profit and total comprehensive income attributable to owners of the Company decreased to approximately HK\$4.1 million for the year ended 31 March 2016 from approximately HK\$14.8 million for the year ended 31 March 2015, representing a decrease of approximately 72.3%. Recognition of the non-recurring listing expenses of approximately HK\$13.2 million during the year ended 31 March 2016 diluted the positive effect of the increase in revenue brought to the Group for the same period, thus a decrease in profit and total comprehensive income attributable to owners of the Company was noted for the year ended 31 March 2016 as compared with that for the year ended 31 March 2015.

Recent Development

The Group's revenue and cost structure have remained unchanged since 31 March 2017. The Directors confirm that subsequent to 31 March 2017, there are no unfavorable trends or developments which may have a material adverse impact on the Group's business and financial performance.

The Group continuously provided both high quality designs and innovative total supply chain solutions to the customers for relatively higher gross profit margin whilst balancing market share expansion by offering competitive pricing to secure new customers and maintain a growth in revenue. The Directors believe that although securing some new customers with competitive pricing as an initial first stage may possibly lower the gross profit margin of the specific business, the proven ability of the Group's highly experienced product development and design teams means that as the business relationship develops with the new customers, the Group's high quality designs and innovative total supply solutions may help to improve gross profit margins in later seasons. In addition, the Directors also focus on additional factors such as shareholder value or earnings per share in addition to gross profit and net income margins when balancing market share expansion with profitability.

Use of Proceeds

The Shares have been successfully listed on GEM on 7 October 2015. The actual net proceeds from the Placing (as defined in the Prospectus), after deducting commission and expenses borne by the Company in connection with the Placing, were approximately HK\$5.1 million (the "**Actual Net Proceeds**"), which were less than the estimated net proceeds stated (i) in the Prospectus of approximately HK\$14.2 million; and (ii) in the allotment results announcement dated 6 October 2015 of the Company (the "**Allotment Results Announcement**") of approximately HK\$8.4 million. The difference in the Actual Net Proceeds to the estimated proceeds stated in the Allotment Results Announcement were due to listing fees which have been recognised in the combined statement of comprehensive income for the year ended 31 March 2015 and unexpected higher amount of professional fees relating to the GEM listing (such as auditors, lawyers and financial printer fees). Despite the difference in the Actual Net Proceeds compared to the estimated net proceeds, the Company has not altered its initial expansion or development plans but instead plans to apply the Actual Net Proceeds on the same business strategic plans as stated in the Prospectus for the period from 1 October 2015 to 30 June 2018 but with monetary adjustments to each business strategic plan on a pro rata basis. As the Placing completed after 30 September 2015, the estimated use of proceeds for the period ended 30 September

2015 as stated in the Prospectus would be foregone. The table below sets out an adjusted allocation and the actual use of the Actual Net Proceeds for the year ended 31 March 2017 and the period from the GEM listing date to 31 March 2016.

Business strategies as set out in the Prospectus	Adjusted allocation of the Actual Net Proceeds	Actual use of the Actual Net Proceeds	Adjusted allocation of the Actual Net Proceeds	Actual use of the Actual Net Proceeds	Adjusted allocation of the Actual Net Proceeds	Actual use of the Actual Net Proceeds
	For the six months from the GEM listing date to 31 March 2016 HK\$'000	For the six months from the GEM listing date to 31 March 2016 HK\$'000	For the year ended 31 March 2017 HK\$'000	For the year ended 31 March 2017 HK\$'000	For the three months ended 30 June 2017 HK\$'000	For the three months ended 30 June 2017 HK\$'000
Expand the geographical coverage of the Group's customers (<i>Note</i>)	315	315	636	636	159	159
Expand the geographical base of the Group's third-party manufacturers	145	70	292	260	73	73
Further develop the Group's design and development capabilities	225	225	448	407	112	112
Expand the Group's product types to further cater to customers' needs	172	172	352	352	88	88
General working capital	<u>221</u>	<u>221</u>	<u>109</u>	<u>109</u>	<u>0</u>	<u>0</u>
Total	<u><u>1,078</u></u>	<u><u>1,003</u></u>	<u><u>1,837</u></u>	<u><u>1,764</u></u>	<u><u>432</u></u>	<u><u>432</u></u>

Note: the Actual Net Proceeds would only be utilised for, among others, salary of the team head for the new merchandising team subsequent to the Placing.

Up to 30 June 2017, there were slight delays in the actual use of the Actual Net Proceeds compared to the adjusted allocation of the Actual Net Proceeds in the expansion of the geographical base of the Group's third-party manufacturers of approximately HK\$0.1 million and further development of the Group's design and development capabilities of approximately HK\$0.04 million. These expansion and further development plans were associated with the increases in headcount. However, as the Group was unable to locate suitable employees during the process, it had resulted in the delays in the actual use of the Actual Net Proceeds as aforementioned.

From 1 July 2017 to 30 June 2018, the proposed amount of Actual Net Proceeds to be used as stated in the Prospectus and the proposed amount of the Actual Net Proceeds to be used as of the Latest Practicable Date; and the corresponding application are set out in the table below:

Business strategies as set out in the Prospectus	Adjusted allocation of the Actual Net Proceeds For the period from 1 July 2017 to 30 June 2018 HK\$'000	Proposed use of the Actual Net Proceeds HK\$'000
Expand the geographical coverage of the Group's customers	636	636
Expand the geographical base of the Group's third-party manufacturers	292	399
Further develop the Group's design and development capabilities	448	489
Expand the Group's product types to further cater to customers' needs	352	352
General working capital	<u>—</u>	<u>—</u>
Total	<u>1,728</u>	<u>1,876</u> ^(Note)

Note: the proposed use of the Actual Net Proceeds of approximately HK\$1.9 million is slightly higher than the adjusted allocation of the Actual Net Proceeds of approximately HK\$1.7 million for the period from 1 July 2017 to 30 June 2018 due to reason that the actual use of the Actual Net Proceeds were slightly less than the adjusted allocation of the Actual Net Proceeds during the period from the GEM listing date to 30 June 2017.

Up to the 30 June 2017, approximately HK\$3.2 million of the Actual Net Proceeds from the Placing were utilized in a manner which was consistent with the manner described in the Prospectus. The total remaining portion of the Actual Net Proceeds from the Placing of approximately HK\$1.9 million is expected to be utilized as above which is consistent with the manner described in the Prospectus.

DEALINGS IN THE SHARES ON THE MAIN BOARD

The Shares have been accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from 7 October 2015, the date on which the Shares were first listed on GEM. Subject to the Listing Committee granting the listing of, and permission to deal in, (i) the 1,000,000,000 Shares in issue; (ii) the 100,000,000 Shares which may be issued upon the exercise of any options which may be granted but have not yet been granted under the Share Option Scheme and the continued compliance with the stock admission requirements of HKSCC, the Shares will continue to be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS once dealings in the Shares on the Main Board commence. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

The last day of dealings in the Shares on GEM (Stock code: 8127) will be 26 September 2017. Dealings in the Shares on the Main Board (Stock code: 1709) will commence at 9:00 a.m. on 27 September 2017 and the Shares will be delisted from GEM. No change will be made to the Chinese and English stock short names of the Company.

The Transfer of Listing will have no effect on the existing share certificates in respect of the Shares which will continue to be good evidence of legal title and be valid for trading, settlement and registration purposes. No change will be made to the share certificate, the board lot size, which is 1,000 Shares each, the trading currency of the Shares which is Hong Kong dollars, and the branch share registrar of the Company in Hong Kong which is Boardroom Share Registrars (HK) Limited.

SHARE OPTION SCHEME

The Share Option Scheme was adopted and approved by the then shareholders of the Company on 22 September 2015 and shall remain valid and effective until the tenth anniversary of such date, i.e. 22 September 2025. No share options have been granted pursuant to the Share Option Scheme since its adoption.

Pursuant to the Share Option Scheme, after the expiry of the Share Option Scheme, no further options will be granted but in respect of all options which have been granted but not yet exercised, the provisions of the Share Option Scheme shall remain in force and effect in all other respects. As at the date of this announcement, the Share Option Scheme remains effective and is implemented in full compliance with the requirements of Chapter 17 of the Listing Rules and will remain effective upon the Transfer of Listing.

Pursuant to the Share Option Scheme and as at the date of this announcement, the Company may grant additional share options carrying rights to subscribe for up to a total of 100,000,000 Shares during the remaining term of the Share Option Scheme.

The listing of the Shares issued and to be issued pursuant to the Share Option Scheme will also be transferred to the Main Board under Rule 9A.10 of the Listing Rules.

UNDERTAKING BY THE CONTROLLING SHAREHOLDER OF THE COMPANY

Pursuant to the undertaking letter dated 8 September 2017 issued by Alpha Direct Investments Limited (being the controlling shareholder (as defined under the GEM Listing Rules) of the Company and is beneficially wholly-owned by Mr. Cheung Lui) and Mr. Cheung Lui to the Company and Stock Exchange, each of them has undertaken that it/he shall not and shall procure that the relevant registered holder(s) shall not at any time during the period of twelve (12) months commencing from the date on which the Shares first commence trading on the Main Board dispose of, nor enter into any agreement to dispose of or otherwise create any options, rights, interests or encumbrances in respect of, any of the securities of the Company in respect of which it/he is the beneficial owner.

PUBLIC FLOAT

The Directors confirm that 25% of the total issued share capital of the Company was held by the public (as defined in the Listing Rules) as at the date of this announcement. Accordingly, the minimum 25% public float requirement has been maintained in compliance with Rule 8.08 of the Listing Rules.

GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES

The general mandates granted to the Directors to allot and issue new Shares and repurchase Shares by the Shareholders on 5 July 2017 will remain valid and with effect when the listing of the Shares is transferred to the Main Board until the earliest of:

- (a) the conclusion of the next annual general meeting of the Company;
- (b) the expiration of the period within which the next annual general meeting of the Company is required by the Memorandum and Articles of Association of the Company or any applicable laws to be held; or
- (c) the revocation or variation of such authority by an ordinary resolution of the Shareholders in general meeting.

COMPETING INTERESTS

As at the date of this announcement, none of the controlling Shareholder or the Directors or any of their respective associates(s) has any interest in a business which competes or is likely to compete, either directly or indirectly, with the business of the Group which would otherwise be required to be disclosed pursuant to Rule 9A.09 (10) of the Listing Rules.

CONNECTED TRANSACTION

There was no connected transaction under Chapter 20 of the GEM Listing Rules on the part of the Company during the Track Record Period.

CONSULTANCY AGREEMENT WITH ASIAN SUCCEED LIMITED

As disclosed in the Prospectus, the Group has been relying on its sales representatives to introduce customers and business opportunities to the Group. The appointment of sales representatives was on a non-exclusive basis, which means that these sales representatives could also refer customers and business to other industry players, with no fixed term of appointment.

As disclosed in the sections headed “Summary — Sales Representative” on page 3 and “History and Reorganisation — The Sales Representative and Consultancy Agreement” on page 75 of the Prospectus:

- on 15 July 2013, the Group had entered into a sales representative and consultancy agreement (the “**Sales Representative and Consultancy Agreement**”) with Seven Retail Limited (as defined as Sales Representative A in the Prospectus) which was owned as to 50% by Ms. Mang Ngai and 50% by Mr. Jose Sfez (who is independent of and not connected with the Company and its subsidiaries or any of their respective associates) at the relevant time to provide consultancy services to the Group on a non-exclusive basis. In return, the Group shall, among others, pay Seven Retail Limited a commission equivalent to 1.8% of the sales on the business Seven Retail Limited brought to the Group on an on-going basis. Please refer to the section headed “Business” on page 115 of the Prospectus for further details of the major terms of the Sales Representative and Consultancy Agreement.
- Ms. Mang Ngai disposed of all her indirectly-owned beneficial interests in Seven Retail Limited to Mr. Jose Sfez, and subsequently resigned her directorship in Seven Retail Limited and joined the Company on 1 June 2015 as the chief operating officer of the Group, owing to the fact that (i) Ms. Mang Ngai wanted to avoid the potential conflict of interests with the Group if she were the owner of an external sales representative and an in-house staff at the same time; and (ii) Ms. Mang Ngai could concentrate on playing her supporting role as a senior management of the Group.
- In light of the resignation by Ms. Mang Ngai in Seven Retail Limited, the Group and Seven Retail Limited had entered to into a supplemental Sales Representative and Consultancy Agreement on 1 June 2015 to reduce the commission from 1.8% to 0.9% of the sales on the business brought to the Group.

As disclosed in the section headed “History and Reorganization — Relationship between our Directors and senior management and Ms. Mang in prior employment” on pages 72 to 73 of the Prospectus, besides Seven Retail Limited, Ms. Mang Ngai set up and worked in several garment related companies, such as HTP Sourcing Limited since 1992. Though the name of Mr. Jose Sfez was not disclosed in the Prospectus, he was Ms. Mang Ngai’s business partner in cofounding such companies. Both Mr. Cheung Lui and Mr. Chak Ka Wai, directors of the Company and other senior management had employment relationship with such cofounded companies. The name of Mr. Jose Sfez was not disclosed in the Prospectus due to privacy and confidentiality.

Pursuant to the Sales Representative and Consultancy Agreement, it is noted that the appointment of Seven Retail Limited is on a non-exclusive basis, i.e. Seven Retail Limited could provide similar services to other competitors of the Group.

Seven Retail Limited had then generated revenue of approximately HK\$117.9 million and HK\$124.0 million for the two years ended 31 March 2014 and 2015, and accordingly had accounted for approximately HK\$2.2 million and HK\$2.3 million sales commissions payable by the Group (which is calculated based on the sales commission of 1.8%), respectively. The aggregate sales commissions payable to Seven Retail Limited by the Group amounted to approximately HK\$4.5 million for the two years ended 31 March 2014 and 2015.

In order to retain capable sales representatives on an exclusive and longer term basis, and since Seven Retail Limited and Mr. Jose Sfez can provide similar consultancy services to the Group's competitors under the Sales Representative and Consultancy Agreement, the Group entered into the consultancy agreement (the "**Consultancy Agreement**") with Asian Succeed Limited on 14 March 2016 pursuant to which Asian Succeed Limited shall procure its sole owner and director, Mr. Jose Sfez, to perform the same consultancy services for a term of five years. The Group entered into the Consultancy Agreement so as to secure the exclusive services of Mr. Jose Sfez. In addition, under the terms of the Consultancy Agreement, there was no sales commission payable to the consultant in respect of any revenue derived from the existing customers already referred by Seven Retail Limited and Mr. Jose Sfez (the "**Existing Customers**"). The Board considers that the incentive fee of HK\$5 million under the Consultancy Agreement would establish a ceiling versus the on-going sales commission to be derived from the Existing Customers. Please also refer to the detailed compensation to the consultant under the Consultancy Agreement as set out below. Further, it was the understanding between the parties that the Company and the consultant shall take the primary role and supporting role respectively in dealing with the Existing Customers after the entering into of the Consultancy Agreement.

The exclusive services under the Consultancy Agreement, which have embedded incentives to reward the procuring of new customers as compared to a ceiling for future revenue derived from the Existing Customers, would drive Mr. Jose Sfez to (i) focus on building new business with new customers so as to grow the Company's sales with the new customers; and (ii) play a supporting role, instead of a primary role, relating to the Existing Customers which helps repositioning the Company to play a more dominant role in building deeply integrated relationships, direct communications and responsibilities with the Existing Customers' buyers, designers, merchandisers, quality control and logistics staff. The Board considers that the relationships with the Existing Customers have remained the same, if not, reinforced, subsequent to the entering into of the Consultancy Agreement.

Asian Succeed Limited is a company incorporated in the British Virgin Islands with limited liability and is a special purpose vehicle set up and wholly-owned by, with sole director being, Mr. Jose Sfez for the purpose of entering into the Consultancy Agreement. The Company had also considered the alternative to amend the relevant terms of the Sales Representative and Consultancy Agreement to achieve similar aim but Mr. Jose Sfez had proposed Asian Succeed Limited as a party for the Consultancy Agreement. Having considered that there would be no difference as to the scope of services to be provided and the amount to be payable by the Company under such proposed structure, the Company had accepted the proposal and entered into the Consultancy Agreement.

Mr. Jose Sfez possesses over 30 years of garment experience with profound knowledge in sourcing, marketing, design and brands developments. Before expanding his business into Hong Kong and Asia in 2004, Mr. Jose Sfez had been managing a number of garment/brands

businesses in the United States of America. In 2004, Mr. Jose Sfez joined a sourcing company in Hong Kong to engage in sourcing and distribution of premium denim brands to the United States of America, Europe and Asia until the disposal of the sourcing company to a listed company on the Stock Exchange (the “**Sourcing Group**”) in 2010. From July 2010 to June 2013, Mr. Jose Sfez was appointed as the chief executive officer of the fashion division of a subsidiary of the Sourcing Group to handle the licensed business as well as other private label business with focus in denim and fashion labels.

Under the Consultancy Agreement, save for (i) those business interests and directorship disclosed to the Company prior to the entering into of the Consultancy Agreement; and (ii) otherwise with the consent of the Board in relation to those new business opportunities not taken up by the Group under its first right of refusal, Asian Succeed Limited shall not and shall procure each of its associates (including Mr. Jose Sfez) not to, at any time during the term without the prior written consent of the Board be or to become or act as a director of any company (other than the Company or any other member of the Group) or be engaged, concerned or interested directly or indirectly in any other business, trade or occupation.

In return, the Group would (i) pay to Asian Succeed Limited a sign up and incentive fee equal to HK\$5,000,000; (ii) a monthly sum of HK\$100,000 during the term of the Consultancy Agreement; and (iii) a sales commission equivalent to 1% of the gross sales revenue of the new business received by the Company through the introduction or referral of Asian Succeed Limited. In respect of (iii) above, an advance payment of HK\$3,000,000 has been paid to Asian Succeed Limited. In the event that the sales commission payable by the Company to the Asian Succeed Limited during the term falls short of HK\$3,000,000, Asian Succeed Limited shall refund such shortfall to the Company forthwith upon the termination or expiry of the Consultancy Agreement. Further, Asian Succeed Limited may entitle to a cash bonus in respect of each financial year of the Company in an amount to be determined by the Board in its absolute discretion.

Since the entering into of the Consultancy Agreement and up to 30 June 2017, Asian Succeed Limited had accounted for a total of approximately HK\$0.59 million sales commission payable by the Group for the referral of new customers.

In determining the terms of the Consultancy Agreement, including the amounts payable by the Company to Asian Succeed Limited, the Board has primarily made reference to (i) the previous services contract of Mr. Jose Sfez with the Sourcing Group; (ii) the terms and conditions of the Sales Representative and Consultancy Agreement between the Group and Seven Retail Limited; (iii) the exclusive basis under the Consultancy Agreement; and (iv) various material factors including but not limited to the followings:

- (i) Upon the entering into of the Consultancy Agreement and the termination of the Sales Representative and Consultancy Agreement, it is noted that (i) the Group is no longer required to pay any further sales commission regarding sales deriving from the Existing Customers to Seven Retail Limited (including the existing business lines or any new business lines in future of the Existing Customers); and (ii) the sales commission of 1% of gross sales revenue under the Consultancy Agreement is only applicable to any new business introduced or referred by Asian Succeed Limited but not relevant to the Existing Customers;

- (ii) Given that Seven Retail Limited had already accounted for approximately HK\$4.5 million of sales commissions (representing 1.8% of sales) for the 2 year period to 31 March 2015, the Board considers that the incentive fee of HK\$5 million under the Consultancy Agreement would establish a ceiling versus the on-going sales commission to be derived from the Existing Customers and payable to Seven Retail Limited under the Sales Representative and Consultancy Agreement;
- (iii) While the other sales representative agreements entered by the Group contributed much lesser as compared with the Sales Representative and Consultancy Agreement/the Consultancy Agreement and are on different terms, it is noted that the sales commission rate of the other sales representative agreements ranges from 2.8% to 7.9% during the year ended 31 March 2016. Therefore, the sales commission rate of 1%, under the Consultancy Agreement is below the range of the others sales representative agreements of the Group;
- (iv) Considering the commitment by Asian Succeed Limited/Mr. Jose Sfez, i.e. they will be offering their exclusive services to the Group and devoting their time, efforts and reputation in promoting and procuring new clients and businesses to the Group, the Board considers that it is fair and reasonable to offer a monthly sum of HK\$100,000 during the term under the Consultancy Agreement; and
- (v) The cash bonus would only be payable to Asian Succeed Limited upon the absolute discretion of the Board, of which the Board will primarily consider the performance of Asian Succeed Limited under the Consultancy Agreement in determining the amount of such cash bonus payable. The cash bonus will also be subject to the approval of the remuneration committee of the Company, which currently consists of certain Directors, namely Ms. Luk Huen Ling Claire, Mr. Choi Sheung Jeffrey, Mr. Cheung Lui, Ms. Chan Hong Nei Connie and Mr. Lam Yau Lun, to ensure fairness and reasonableness of such cash bonus.

Set out below is the revenue generated from customers referred by Seven Retail Limited and/or Asian Succeed Limited for the Group for the four years ended 31 March 2017:

	2014		For the year ended 31 March				2017	
	HK\$ (in million)	As % of the Group's total revenue	HK\$ (in million)	As % of the Group's total revenue	HK\$ (in million)	As % of the Group's total revenue	HK\$ (in million)	As % of the Group's total revenue
Revenue generated from the customers referred by:								
— Seven Retail Limited	117.9	93.1%	124.0	88.1%	97.2	62.3%	N/A	N/A
— Asian Succeed Limited	N/A	N/A	N/A	N/A	3.5	2.2%	137.0	66.4%

Notes:

1. The Sales Representative and Consultancy Agreement with Seven Retail Limited had commenced on 15 July 2013 and terminated on 14 March 2016, and the Consultancy Agreement with Asian Succeed Limited has commenced on 15 March 2016.
2. The Group has been relying on, among others, Seven Retail Limited and/or Asian Succeed Limited to introduce or refer customers to the Group pursuant to the Sales Representative and Consultancy Agreement and/or the Consultancy Agreement. A substantial portion of the Group's revenue was generated from Seven Retail Limited and/or Asian Succeed Limited during the four years ended 31 March 2017. If Asian Succeed Limited fails to continue to introduce new customers to the Group in future, the Group's business and financial performance might be adversely affected.

However, the Group has been establishing direct business relationship with the customers introduced by Seven Retail Limited and/or Asian Succeed Limited, and hence reducing the reliance on them. The in-house merchandising team of the Group will continue to liaise with those customers introduced by Seven Retail Limited and/or Asian Succeed Limited. As such, the Directors do not expect Seven Retail Limited and/or Asian Succeed Limited would play an active role after its initial customer referral at early stages. As illustrated from the above table, the revenue generated from Seven Retail Limited and/or Asian Succeed Limited as a portion of the Group's total revenue had been decreasing, demonstrating the effort of the Group in reducing its reliance on sales representatives.

Having considered the various factors as discussed above, the Board considers that the terms of the Consultancy Agreement are fair and reasonable as a whole. In addition, the Board considers that there is no common industry practice when dealing with the recruitment package of such senior level of talent such as Mr. Jose Sfez, and that entering into a long term agreement with Asian Succeed Limited with prepayment of incentive fee was not uncommon given the reference to a similar five years term contract and a prepayment of incentive fee in the previous services contract of Mr. Jose Sfez with the Sourcing Group, an industry leader.

Reference is also made to the announcement of the Company dated 28 March 2017. In March 2017, through the referral and consulting service of Asian Succeed Limited, the Group has successfully entered into sales contracts with the New Customer, one of the world's largest fashion retailers, and further expanding the markets and types of customers served by the Group.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, (i) the Group is Asian Succeed Limited's only major customer; (ii) Mr. Jose Sfez is the sole shareholder and sole director of Asian Succeed Limited; and (iii) save as disclosed above, Mr. Jose Sfez does not have any past or present relationship with the Company, its subsidiaries, their controlling shareholders, directors, senior management and/or any of their respective associates.

BIOGRAPHICAL INFORMATION OF DIRECTORS

The biographical information of each Director is disclosed as follows:

Executive Directors

Mr. Cheung Lui (張雷) (“**Mr. Cheung**”), aged 45, founded the Group in February 2013. He was appointed as the Company’s chairman, chief executive officer and re-designated as an executive Director on 5 June 2015 and is primarily responsible for the overall corporate strategies and management of the Group. Mr. Cheung graduated from The University of Hong Kong with a bachelor’s degree in economics in November 1995. Mr. Cheung spent approximately 10 years in the banking sector and over 10 years in the garment industry where he gained extensive experience in management skills and knowledge of garment business.

Mr. Cheung has a wealth of experience in banking from his previous role as relationship manager in the commercial banking division at The Hongkong and Shanghai Banking Corporation Limited where his experiences and responsibilities included overseeing credit and trade finance facility arrangements to corporate clients.

Following his role at The Hongkong and Shanghai Banking Corporation Limited, Mr. Cheung moved into the garment industry and joined HTP Group Limited as chief financial officer and was responsible for overseeing the finance, accounting and human resources of the company. In January 2006, his employment was subsequently transferred to a related company, HTP Sourcing Limited (currently known as OSG Sourcing Limited). In January 2010, he was further promoted to vice president, responsible for managing merchandising, design and operation team as well as business development of the company. Subsequent to the acquisition of the business of HTP Sourcing Limited in June 2010 by one of Hong Kong’s largest sourcing group in Hong Kong, (the “**Sourcing Group**”) principally engaged in trading, logistic and distribution of consumer products, Mr. Cheung was transferred to a subsidiary of the Sourcing Group serving as divisional merchandise manager until June 2013 before joining the Group.

Save as disclosed above, there is no other information which needs to be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules, nor are there any other matters which needs to be brought to the attention of the Shareholders.

Mr. Chak Ka Wai (翟家偉) (“**Mr. Chak**”), aged 45, was appointed as an executive Director on 1 June 2015. He joined the Group in June 2013 as financial controller and was promoted to chief financial officer on 1 August 2015. He is primarily responsible for the overall financial accounting and reporting, corporate finance and company secretarial matters of the Group. Mr. Chak obtained a bachelor’s degree in finance from the City Polytechnic of Hong Kong (currently known as the City University of Hong Kong) in December 1994. He was subsequently awarded a postgraduate diploma in professional accounting and a master’s degree in professional accounting and information systems in November 1998 and November 2005 respectively. In July 2003, he became a member of the Hong Kong Institute of Certified Public Accountants. Mr. Chak continued to pursue education by completing various short-term courses, including “中國最新涉外稅法與實務” in March 2006, “中國財務會計核算制度與操作實務” in July 2006, and “中國最新勞工法例與人力資源管理” in July 2013 from the School of Professional Education and Executive

Development of The Hong Kong Polytechnic University and a continuing education diploma in advanced taxation and tax planning a course offered by the School of Continuing and Professional Education, the City University of Hong Kong in collaboration with The Taxation Institute of Hong Kong in August 2008. Mr. Chak has over 21 years of accounting experience. He started working as a management trainee in the accounts department of Logic Office Supplies Ltd in July 1994 and was promoted to analyst in April 1995, responsible for management reporting. He was further promoted to MIS officer of the MIS Department, responsible for sales reporting until he left in May 1997. He then joined the finance department of Mattel Asia Pacific Sourcing Limited in May 1997 as assistant management accountant and was subsequently promoted to accountant in October 2000 until he left in March 2001. From March 2001, Mr. Chak worked for J. V. Fitness Limited initially as assistant accountant and was promoted to accountant in March 2003 and then to financial analyst in January 2005 for the regions, including Hong Kong, Taiwan, Singapore and Malaysia until October 2006. Since then, Mr. Chak worked for several garment-related companies, including HTP Sourcing Limited as senior accountant from October 2006 to September 2007 and Burberry Asia Limited as assistant accounting manager from September 2007 to February 2008. Immediately before joining the Group in June 2013, Mr. Chak worked for Z Brand International Limited as finance manager from February 2008 and was promoted to financial controller in June 2009. His employment was transferred to the Sourcing Group Subsidiary, in July 2010 as manager (operations).

Save as disclosed above, there is no other information which needs to be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules, nor are there any other matters which needs to be brought to the attention of the Shareholders.

Non-executive Director

Ms. Chan Hong Nei Connie (陳康妮) (“**Ms. Chan**”), aged 35, was appointed as a non-executive Director on 1 June 2015. Ms. Chan obtained a bachelor’s degree in accountancy from The City University of Hong Kong in November 2005. Ms. Chan has been a certified public accountant of the Hong Kong Institute of Certified Public Accountants since September 2010. Ms. Chan has approximately 11 years of experience in accounting, auditing and corporate finance. She joined Deloitte Touche Tohmatsu, an international accounting firm in August 2005 initially as staff accountant and was promoted to associate in September 2006, to senior associate in October 2007 and finally to manager in October 2010 until she left in December 2010. She then worked in Quam Capital Limited from December 2010 to February 2014 and her last position held was manager of finance advisory department. She was mainly responsible for the provision of advisory services to enterprises in Hong Kong and the People’s Republic of China, including initial public offerings on the GEM and on the main board of the Stock Exchange, takeovers, disposals and acquisitions of assets and corporate restructuring of listed companies. Ms. Chan was appointed as chief financial officer and executive director of Roma Group Limited (stock code: 8072), responsible for overseeing accounting and finance of the group in February 2014 and April 2017 respectively.

Save as disclosed above, there is no other information which needs to be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules, nor are there any other matters which needs to be brought to the attention of the Shareholders.

Independent non-executive Directors

Mr. Lam Yau Lun (林猷麟) (“**Mr. Lam**”), aged 35, was appointed as an independent non-executive Director on 26 May 2017. Mr. Lam has over 12 years of experience in the field of investment banking, corporate finance, auditing and accounting. He joined Deloitte & Touche Corporate Finance Limited in 2012 with last position as Associate Director until 2015. The key responsibility is to lead a team of professionals in deal origination and providing advisory services related to acquisitions, divestitures, fund raising and corporate restructuring. Mr. Lam is currently a manager of a Fortune Global 500 corporation, which is in lead in the food and drug retail industry in Canada. He is responsible for financial planning and analysis.

Mr. Lam holds a bachelor’s degree in business administration majoring in accounting and economics from The Hong Kong University of Science and Technology. He also obtained master’s degrees in business administration from both HEC Paris and The Chinese University of Hong Kong. Mr. Lam is a fellow member of the Hong Kong Institute of Certified Public Accountants and a chartered professional accountant and chartered accountant under Chartered Professional Accountants of Ontario in Canada.

Save as disclosed above, there is no other information which needs to be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules, nor are there any other matters which needs to be brought to the attention of the Shareholders.

Mr. Choi Sheung Jeffrey (蔡湘) (“**Mr. Choi**”), aged 46, was appointed as an independent non-executive Director on 22 September 2015. Mr. Choi obtained a bachelor’s degree in business administration from the National University of Singapore in June 1993. He was qualified as a chartered financial analyst with the Association for Investment Management and Research in September 2002. In December 2005, he further attained a master’s degree in business administration from The Chinese University of Hong Kong. Mr. Choi has approximately 20 years of experience in business development and financial controlling. He joined Siemens Limited as business administrator in August 1996, responsible for setting up the Hong Kong office as the regional headquarter for Siemens Nixdorf division and was promoted to assistant controller in December 1996, responsible for planning, budgeting, reporting and forecasting for Siemens Nixdorf division in Asia Pacific region and was further promoted to senior commercial officer in June 1998, responsible for project budgeting, planning, controlling and joint ventures of Siemens Nixdorf operations in China until he left the company in January 2000. From January 2000 to August 2003, he worked at BEA Systems (HK) Limited as a controller of North Asia, responsible for all financial, accounting, treasury, tax, compliance and facilities related matters in the region and to set up Hong Kong office as the regional head office and shared accounting service centre for the region. From August 2003 to March 2004, Mr. Choi worked at Borland Singapore Pte Limited as finance director of Asia Pacific. His employment was transferred to the Hong Kong office under Borland (Hong Kong) Ltd. in April 2004 until he left the company in April 2006. From May 2006 to October 2006, he worked at NVIDIA (Singapore) Limited as business operation director of Asia Pacific, responsible for leading sales administration teams in Greater China and Korea as well as enhancing operational efficiency of the teams, resource management, forecasting, order status tracking and expediting, resolution of invoicing disputes and sales reporting. From October 2006 to December 2007, he worked at Experian (Hong Kong) Limited as regional head of finance of Asia Pacific, responsible for

meeting business targets, reviewing and presenting investment opportunities to the investment committee and the board of directors, deal structuring and execution of mergers and acquisitions (“M&As”) opportunities and post-acquisition integration. Since April 2008, Mr. Choi has been the chief financial officer of Sinogold Holdings Limited, responsible for all accounting, finance, treasury, tax and M&As related matters.

Save as disclosed above, there is no other information which needs to be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules, nor are there any other matters which needs to be brought to the attention of the Shareholders.

Ms. Luk Huen Ling Claire (陸萱凌) (“Ms. Luk”), aged 39, was appointed as an independent non-executive Director on 22 September 2015. She obtained a bachelor’s degree in fine arts from the Hong Kong Academy for Performing Arts in July 2003 and a master’s degree of business in marketing from the University of Technology, Sydney, Australia in March 2010. Ms. Luk has over 10 years of experience in corporate communications and marketing. She worked as head of communications, Asia at Aedas Limited between March 2010 and December 2010. From November 2006 to May 2008 she worked as a wardrobe manager at the Ocean Park, one of the largest theme parks in Hong Kong where she was responsible for sections strategic plannings, administration and management of all wardrobe staff.

In addition, Ms. Luk also gained experiences in marketing, business development and investor relation activities in previous engagements. She joined Roma Group Limited (stock code: 8072) as a senior consultant in December 2008 and became marketing director of the group in February 2011. In November 2014, Ms. Luk founded STAGE Group Limited, a company specialising in marketing consultancy.

Save as disclosed above, there is no other information which needs to be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules, nor are there any other matters which needs to be brought to the attention of the Shareholders.

Service contracts and remunerations of the Directors

Each of the executive Directors has entered into a service contract with the Company for an initial term of three years commencing from 7 October 2015. Pursuant to the service contract of each of the executive Directors, Mr. Cheung and Mr. Chak are currently entitled to the annual basic salary of HK\$120,000 respectively.

Ms. Chan, being the non-executive Director, has entered into a letter of appointment with the Company on 16 June 2015 for an initial term of three years commencing from 1 June 2015. Pursuant to such appointment, Ms. Chan is currently entitled to the annual basic salary of HK\$456,000.

Each of Mr. Choi and Ms. Luk, being independent non-executive Directors, has entered into a letter of appointment with the Company on 22 September 2015 for an initial term of three years commencing from 7 October 2015. Pursuant to these appointments, Mr. Choi and Ms. Luk are currently entitled to the annual basic salary of HK\$120,000 respectively.

Mr. Lam, being one of the independent non-executive Directors, has entered into a letter of appointment with the Company on 26 May 2017 for an initial term of one year commencing from 26 May 2017. Pursuant to such appointment, Mr. Lam is currently entitled to the annual basic salary of HK\$120,000.

The remunerations of the Directors are determined by reference to the economic situation, the market condition, the responsibilities and duties assumed by each Director as well as their individual performance.

DOCUMENTS AVAILABLE FOR INSPECTION

The following documents are available for viewing on the website of the Stock Exchange at www.hkexnews.hk and on the website of the Company at www.seasonpacific.com:

- (a) the annual report of the Company for the year ended 31 March 2016 including, among other things, Directors' report and financial statements for the year ended 31 March 2016;
- (b) the annual report of the Company for the year ended 31 March 2017 including, among other things, Directors' report and financial statements for the year ended 31 March 2017;
- (c) the Memorandum and Articles of Association of the Company; and
- (d) the announcements and other corporate communications published by the Company prior to the date of this announcement as required under the GEM Listing Rules and the Listing Rules.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions have the following meanings:

“Board”	board of Directors
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Company”	Season Pacific Holdings Limited, an exempted company incorporated under the laws of the Cayman Islands, the issued Shares of which are listed on GEM
“Director(s)”	director(s) of the Company
“GEM”	Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries
“HKSCC”	Hong Kong Securities Clearing Company Limited

“Latest Practicable Date”	13 September 2017, being the latest practicable date prior to the issue of this announcement for ascertaining certain information contained in this announcement
“Listing Committee”	the listing committee of the board of directors of the Stock Exchange
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange
“Main Board”	the stock market operated by the Stock Exchange prior to the establishment of GEM (excluding the options market) and which stock market continues to be operated by the Stock Exchange in parallel with GEM. For the avoidance of doubt, the Main Board excludes GEM
“Memorandum and Articles of Association”	the memorandum of association and articles of association of the Company
“Prospectus”	the prospectus of the Company dated 29 September 2015
“SFO”	the 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
“Share Option Scheme”	the share option scheme of the Company conditionally approved by the then Shareholders on 22 September 2015
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Track Record Period”	the three financial years ended 31 March 2017
“Transfer of Listing”	the proposed transfer of the listing of the Shares from GEM to the Main Board

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

Hong Kong, 14 September 2017

As at the date of this announcement, the executive Directors are Mr. Chak Ka Wai and Mr. Cheung Lui, the non-executive Director is Ms. Chan Hong Nei Connie; and the independent non-executive Directors are Mr. Choi Sheung Jeffrey, Ms. Luk Huen Ling Claire and Mr. Lam Yau Lun.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

This announcement will remain on the “Latest Company Announcements” page of the GEM website at <http://www.hkgem.com> for at least 7 days from the date of its posting and on the Company’s website at www.seasonpacific.com.