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*This announcement is for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for any Shares in the Company.*

## **SEASON PACIFIC HOLDINGS LIMITED**

**雲裳衣控股有限公司\***

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

**(Stock Code: 1709)**

### **PLACING OF NEW SHARES UNDER GENERAL MANDATE**

**Placing Agent**



**Fulbright Securities Limited**

#### **PLACING OF NEW SHARES**

On 16 May 2018 (after trading hours), the Company and the Placing Agent entered into the Placing Agreement, pursuant to which the Placing Agent agreed to procure, on a best effort basis, not less than six Placées to subscribe for a maximum of 125,000,000 Placing Shares at the Placing Price of HK\$0.48 per Placing Share. The Placing is conditional upon the Stock Exchange agreeing to grant a listing of and permission to deal in the Placing Shares. An application will be made to the Listing Committee of the Stock Exchange for the approval for the listing of and permission to deal in the Placing Shares.

The 125,000,000 Placing Shares under the Placing represent (i) approximately 12.50% of the existing issued share capital of the Company, and (ii) approximately 11.11% of the issued share capital of the Company as enlarged by the Placing Shares to be issued pursuant to the Placing (assuming that there will be no change in the issued share capital of the Company between the date of this announcement and the completion of the Placing).

The Placing Shares will be allotted and issued pursuant to the General Mandate granted to the Directors at the annual general meeting of the Company held on 5 July 2017.

\* For identification purposes only

Assuming that the maximum of 125,000,000 Placing Shares are fully placed under the Placing, the gross proceeds and net proceeds from the Placing will amount to approximately HK\$60.0 million and approximately HK\$58.6 million, respectively. The Company intends to use the net proceeds for the purpose of (i) sourcing and developing the Group's own brand or acquisition of brand(s) for garment and related products; (ii) enhancement of supply chain management efficiency and capacity, and expansion of sales network; and (iii) general working capital purpose.

**Completion of the Placing is subject to the satisfaction of the condition precedent in the Placing Agreement. As the Placing may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the Shares and securities of the Company.**

## THE PLACING AGREEMENT

Set out below are the principal terms of the Placing Agreement:

**Date:** 16 May 2018 (after trading hours)

**Issuer:** the Company

**Placing Agent:** Fulbright Securities Limited

Pursuant to the Placing Agreement, the Placing Agent has conditionally agreed to procure, on a best effort basis, not less than six Placees to subscribe for the Placing Shares and will receive a placing commission of 2.0% of the aggregate Placing Price of the Placing Shares which are successfully placed by the Placing Agent in accordance with the Placing Agreement. The Directors (including the independent non-executive Directors) are of the view that the placing commission is fair and reasonable.

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, the Placing Agent and its ultimate beneficial owners are Independent Third Parties.

Pursuant to the Placing Agreement, the Company has agreed to allot and issue, and the Placing Agent has agreed to procure on a best endeavours basis not less than six Placees to subscribe for, a maximum of 125,000,000 Placing Shares at the Placing Price of HK\$0.48 per Placing Share.

### Placees

The Placing Shares shall be offered by the Placing Agent to not less than six Placees (being individual(s), professional, institutional and/or corporate investors), who, and its(their) ultimate beneficial owners, will be Independent Third Party(ies). It is expected that none of the Placees will become a substantial Shareholder (as defined in the Listing Rules) immediately after completion of the Placing.

## **Number of Placing Shares**

The maximum number of Placing Shares under the Placing, being 125,000,000 Placing Shares, represent (i) 12.50% of the existing issued share capital of 1,000,000,000 Shares as at the date of this announcement, and (ii) approximately 11.11% of the issued share capital of the Company as enlarged by the Placing Shares to be issued pursuant to the Placing (assuming that there will be no change in the issued share capital of the Company between the date of this announcement and the completion of the Placing). The maximum aggregate nominal value of the Placing Shares to be issued pursuant to under the Placing will be HK\$1,250,000.

## **Ranking of the Placing Shares**

The Placing Shares, when issued and fully paid, will rank *pari passu* in all respects among themselves and with the Shares in issue at the date of issue of the Placing Shares.

## **Application for Listing**

Application will be made by the Company to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Placing Shares.

## **Placing Price**

The Placing Price of HK\$0.48 per Placing Share represents:

- (a) a discount of 20.00% to the closing price of HK\$0.60 per Share as quoted on the Stock Exchange on the date of this announcement; and
- (b) a discount of approximately 17.53% to the average closing price of approximately HK\$0.582 per Share as quoted on the Stock Exchange for the five consecutive trading days immediately prior to the Last Trading Day; and
- (c) a premium of approximately 15.94% to the average closing price of approximately HK\$0.414 per Share as quoted on the Stock Exchange for the 30 consecutive trading days immediately prior to the Last Trading Day.

The net Placing Price, after deducting placing commission and other fees and expenses, is estimated to be approximately HK\$0.47 per Placing Share.

The Placing Price was determined after arm's length negotiations between the Company and the Placing Agent with reference to market prices of the Shares in recent times. The Directors (including the independent non-executive Directors) consider that the terms of the Placing Agreement (including the Placing Price) are on normal commercial terms, fair and reasonable based on the current market conditions and in the interest of the Company and the Shareholders as a whole.

## **Condition precedent to completion of the Placing**

Completion of the Placing is conditional upon the Stock Exchange granting a listing of and permission to deal in the Placing Shares.

As at the date of the Placing Agreement, the above conditions precedent to the Placing have not yet been satisfied. In the event the above condition has not fulfilled within 21 days after the date of the Placing Agreement (or such later date as the Company and the Placing Agent may be agreed in writing), all rights, obligations and liabilities of the parties to the Placing Agreement shall cease and determine and none of the parties shall have any claim against any other in respect of the Placing, save for any antecedent breaches.

## **Completion of the Placing**

Subject to the above condition precedent being satisfied, completion of the Placing will take place at within seven Business Days after the fulfillment of the condition precedent to completion of the Placing or such other date as the Company and the Placing Agent may agree in writing.

Further announcement will be made by the Company upon completion of the Placing.

## **Termination of the Placing Agreement**

The Placing Agent may by written notice to the Company at any time prior to 10:00 a.m. on the Completion Date, terminate the Placing Agreement if in its reasonable opinion:

- (a) there is any change in national, international, financial, exchange control, political, economic conditions and/or market conditions in Hong Kong which is considered by the Placing Agent would be materially adverse in the consummation of the Placing or makes it inadvisable or inexpedient for the Placing to proceed; or
- (b) there is any breach of the warranties, representations and undertakings given by the Company in the Placing Agreement and such breach is considered by the Placing Agent to be material in the context of the Placing; or
- (c) there is any change in the business or trading positions, financial results of the Group which is considered by the Placing Agent would materially and adversely affect the Placing or makes it inadvisable or inexpedient for the Placing to proceed; or
- (d) any suspension of dealings in the Shares on the Stock Exchange for any period of three consecutive trading days or more (other than as a result of announcing the Placing or trading halt pending publication of the announcement or any other announcement relating to the transactions contemplated by the Placing Agreement).

## **ISSUE OF NEW SHARES UNDER GENERAL MANDATE**

The Placing Shares will be issued under the General Mandate to allot, issue and deal in Shares granted to the Directors by a resolution of the Shareholders passed at the Company's annual general meeting held on 5 July 2017. Under the General Mandate, the Company is authorised to issue up to 200,000,000 Shares (representing 20% of the total number of issued shares of the Company as at the date of the said annual general meeting). Up to the date of this announcement, the Company has not utilised any of such General Mandate for allotment and issue of Shares.

Assuming 125,000,000 Placing Shares are issued under the General Mandate, there will be remaining 75,000,000 Shares available to be issued under the General Mandate after the Placing. As the Placing Shares are to be issued under the General Mandate, the Placing is not subject to Shareholders' approval.

## **REASONS FOR THE PLACING AND USE OF PROCEEDS**

The Group is principally engaged in the sales of apparel products and provides supply chain management total solutions to customers.

It is intended that the net proceeds from the Placing of approximately HK\$58.6 million will be used in the following manner: (i) approximately HK\$25.0 million (representing approximately 42.7% of the total net proceeds) for sourcing and developing the Group's own brand or acquisition of brand(s) for garment and related products; (ii) approximately HK\$25.0 million (representing approximately 42.7% of the total net proceeds) for the enhancement of supply chain management efficiency and capacity, and expansion of sales network; and (iii) approximately HK\$8.6 million (representing approximately 14.6% of the total net proceeds) for general working capital purpose.

Assuming that the maximum of 125,000,000 Placing Shares are fully placed under the Placing, upon completion of the Placing:

- (a) the gross proceeds under the Placing will be approximately HK\$60.0 million;
- (b) the net proceeds (after deducting placing commission, and related professional, publication fees payable by the Company) are estimated to be approximately HK\$58.6 million;
- (c) the net proceeds raised per Share will be approximately HK\$0.47 per Placing Share; and
- (d) the aggregate nominal value of share capital for the Placing Shares is HK\$1,250,000.

## SHAREHOLDING STRUCTURE

As at the date of this announcement, the Company has 1,000,000,000 Shares in issue.

For illustration purpose, the table below sets out the shareholding structure of the Company immediately before and after the completion of the Placing (assuming that there are no other changes in the issued share capital of the Company between the date of this announcement and the completion of the Placing):

Shareholders	As at the date of this announcement		Immediately after completion of the Placing assuming all the Placing Shares have been placed out and there will not be any changes in the issued share capital of the Company saved for the allotment and issue of the Placing Shares	
	No. of Shares	Approximate %	No. of Shares	Approximate %
Alpha Direct Investments Limited <sup>Note 1</sup>	554,500,000	55.45	554,500,000	49.29
Wise Manner Limited <sup>Note 2</sup>	68,000,000	6.80	68,000,000	6.04
<b>Public Shareholders</b>				
Placees	—	—	125,000,000	11.11
Other public shareholders	<u>377,500,000</u>	<u>37.75</u>	<u>377,500,000</u>	<u>33.56</u>
<b>Total</b>	<u><u>1,000,000,000</u></u>	<u><u>100</u></u>	<u><u>1,125,000,000</u></u>	<u><u>100</u></u>

Notes:

1. Alpha Direct Investment Limited is wholly-owned by Mr. Cheung Lui, the chairman, chief executive officer and executive Director of the Company.
2. These Shares are beneficially owned by Wise Manner Limited, a company wholly owned by Mang Ngai.

## FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

The Company did not have any fund raising activity on any issue of equity securities in the past 12 months prior to the date of this announcement.

## APPLICATION FOR LISTING

Application will be made to the Listing Committee of the Stock Exchange for the approval for the listing of, and permission to deal in, the Placing Shares.

**Completion of the Placing is subject to the satisfaction of the condition precedent in the Placing Agreement. As the Placing may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the Shares and securities of the Company.**

## **DEFINITIONS**

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

“acting in concert”	has the meaning ascribed to it under the Codes on Takeovers and Mergers and Share Buy-backs
“Board”	the board of Directors
“Business Day”	any day (not being a Saturday) on which licensed banks are generally open for business in Hong Kong throughout their normal business hours
“Company”	Season Pacific Holdings Limited (雲裳衣控股有限公司*), a company incorporated in Cayman Islands with limited liability whose issued Shares are listed on the Main Board of the Stock Exchange
“Completion Date”	the date of completion of the Placing
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“General Mandate”	the general mandate granted to the Directors by the Shareholders at the annual general meeting of the Company held on 5 July 2017 to allot, issue and deal with up to 20% of the then number of issued shares of the Company as at 5 July 2017
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	person(s) who is/are third party(ies) not being connected person(s) (as defined in person(s) who is/are independent of the Company and its connected persons (as defined in the Listing Rules) and is/are not connected with, or party acting in concert with, any of the directors, chief executive and substantial shareholders of the Company or any of its subsidiaries or any of their respective associates (as defined in the Listing Rules)
“Last Trading Day”	15 May 2018, being the last trading day in the Shares prior to the issue of this announcement

“Listing Committee”	listing committee of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Placee(s)”	any individuals or professional, institutional or corporate investors procured by or on behalf of the Placing Agent to subscribe for any of the Placing Shares pursuant to the Placing Agent’s obligations under the Placing Agreement
“Placing”	the placing of the Placing Shares by or on behalf of the Placing Agent to the Placee(s) pursuant to the Placing Agreement
“Placing Agent”	Fulbright Securities Limited
“Placing Agreement”	the placing agreement dated 16 May 2018 and entered into between the Company and the Placing Agent in respect of the Placing
“Placing Price”	HK\$0.48 per Placing Share
“Placing Shares”	a maximum of 125,000,000 new Shares to be issued by the Company pursuant to the Placing Agreement
“PRC”	the People’s Republic of China, which for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

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

Hong Kong, 16 May 2018

*As at the date of this announcement, the executive Directors are Mr. Cheung Lui, Mr. Chak Ka Wai and Mr. Yu Xiu Yang, the non-executive Director is Ms. Chin Ying Ying; and the independent non-executive Directors are Mr. Choi Sheung Jeffrey, Mr. Lam Yau Lun and Ms. Luk Huen Ling Claire.*

\* For identification purpose only