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DL HOLDINGS GROUP LIMITED

德林控股集團有限公司

*(formerly known as Season Pacific Holdings Limited)
(Incorporated in the Cayman Islands with limited liability)*

(Stock Code: 1709)

SUPPLEMENTAL ANNOUNCEMENT IN RELATION TO SUBSCRIPTION OF NEW SHARES UNDER GENERAL MANDATE

Reference is made to the announcement (the “**Announcement**”) of DL Holdings Group Limited (formerly known as Season Pacific Holdings Limited) (the “**Company**”) dated 30 June 2020 in relation to the subscription of new shares of the Company by CMF FS Asia Equity Opportunity SP. Unless otherwise stated, capitalized terms and expressions used herein shall have the same meanings as those defined in the Announcement. The Company wishes to provide the shareholders of the Company (the “**Shareholders**”) and the public with the following additional information in relation to the Subscription.

INFORMATION OF THE SUBSCRIBER

As set out in the Announcement, the Subscriber and CMF Global Quantitative Multi-Asset SPC are managed, and ultimately controlled by Four Seasons Investment Management Limited. Four Seasons Investment Management Limited is indirectly wholly owned by Silver Tree Hong Kong Limited in which (i) 51% of its issued share capital is legally held by Pine Capital Group Limited, a company listed on the Catalist of the Singapore Stock Exchange; and (ii) 49% of its issued share capital is legally held by Mr. David Sarkis who is also the sole director and one of its responsible officers.

INTENDED USE OF PROCEEDS

As set out in the Announcement, approximately HK\$50 million (representing approximately 83.13% of the estimated net proceeds from the Subscription) shall be applied by the Group for the expansion of its financial services business by further subscribing for the participating shares in the Cayman private fund established by our wholly-owned subsidiary, DJT Partners Limited, in May 2020 (the “**Fund**”).

As at the date of this announcement, the Fund has set up one segregated portfolio (the “**Segregated Portfolio**”) with expected fund size of HK\$120 million. DJT Partners Limited is the sole management shareholder of the Fund and the Company had subscribed the participating shares of the Segregated Portfolio in the sum of HK\$50 million and is currently the sole participating shareholder of the Segregated Portfolio. As such, the Fund is a wholly owned subsidiary of the Company.

The investment objective of the Segregated Portfolio is to generate returns for its participating shareholders by investing in publicly-listed stocks of the companies listed on the Stock Exchange, and/or publicly-listed stocks of the companies listed on Shanghai Stock Exchange through Shanghai Connect and/or publicly-listed stocks of the companies listed on Shenzhen Stock Exchange through Shenzhen Connect (the “**Portfolio Companies**”). Particularly, the investment strategy of the Segregated Portfolio would be to hold minority interests in the Portfolio Companies. In selecting the Portfolio Companies, the Segregated Portfolio shall invest in companies which are either (i) constituents of the Hang Seng Composite Index; (ii) companies with market capitalisation of HK\$3.5 billion or above; or (iii) companies with daily share turnover rate not lower than 0.05%.

The Fund and the Segregated Portfolio is currently managed by its board of directors which consists of two directors, one of which is Mr. Chen Ningdi, the executive Director and chief executive officer of the Company. The Fund has engaged two investment advisors (the “**Investment Advisors**”) and the Investment Advisors shall identify, evaluate and make recommendations to the Fund in respect of the Segregated Portfolio in relation to the investment opportunities which are consistent with the investment objective and strategy of the Segregated Portfolio. After considering the investment advice made by the Investment Advisors, the directors of the Fund shall make the investment decisions.

As at the date of this announcement, the Segregated Portfolio has invested in the shares of five companies whose shares are listed on the Stock Exchange which fulfil the investment strategy of the Segregated Portfolio set out above. Such investment by the segregated Portfolio does not constitute transactions discloseable under chapter 14 of the Listing Rules.

COMPLETION OF THE SUBSCRIPTION

As set out in the Announcement, the Completion of the Subscription shall take place on the third Business Day after the fulfilment of the conditions precedent. The Company intends to fulfil the conditions precedent to the Completion as soon as practicable so that the capital base of the Company would be strengthened. Nonetheless, in order to allow more flexibility for satisfying the condition precedent of obtaining listing approval of the Subscription Shares, the Company and the Subscriber agreed to set the long stop date of fulfilment of conditions precedents to Completion to 30 September 2020.

INTENTION OF THE GROUP AS TO ITS EXISTING BUSINESS

As set out in the annual results announcement of the Company dated 26 June 2020, the Group expects the business environment would remain challenging in the coming year due to the coronavirus (“**COVID-19**”) outbreak, global economic uncertainty and international conflict which impose pressure to the general prospects of apparel industry and overall trading environment. As the Group typically accepts order six months in advance of its delivery date, it is expected the effect of COVID-19 on the financial performance of the Group will be predominantly reflected in financial year ending 31 March 2021.

In view of the challenges in the global business environment and the uncertain economic outlook, the Group would adopt a conservative business strategy in the sales of apparel products business. On one hand, the Group would continue to review the sales strategy from time to time based on the global demand of the apparel products and focus the sales efforts of the Group on regions that are less affected by the COVID-19 outbreak, on the other hand, the Group has been offering competitive pricing for greater portion of its sales of apparel products to retain its existing customers and attract new customers amid the challenging trading environment under the COVID-19 outbreak and China-US trade war. Meanwhile, the Group has also implemented cost saving strategy to reduce general and administrative cost and promote the overall competitiveness of its sales of apparel products business. Currently, the operation of the sales of apparel products business of the Group is overseen by the senior management of the Company and the former executive director and chief executive officer of the Company, Mr. Cheung Lui (“**Mr. Cheung**”), who has over 10 years of experience in the garment industry. In addition, Ms. Mang Ngai (“**Ms. Mang**”), who has joined the Group since 2015 and having numerous years of work experience in the garment including design, product development, sourcing and manufacturing of garment products, is responsible for the sales and marketing activities of sales of apparel products business of the Group. Both Mr. Cheung and Ms. Mang would be responsible for the daily operation, and would assist the chief executive officer of the Company, Mr. Chen Ningdi in managing the sales of apparel products business of the Group. In the meantime, the Company has no intention to scale down or dispose the sales of apparel products business.

By Order of the Board
DL Holdings Group Limited
Jiang Xinrong
Chairman & Executive Director

Hong Kong, 24 July 2020

As at the date of this announcement, the executive Directors are Ms. Jiang Xinrong and Mr. Chen Ningdi, the non-executive Directors are Mr. Chan Kwun Wah Derek and Mr. Li Ren; and the independent non-executive Directors are Mr. Chang Eric Jackson, Mr. Chen Cheng-Lien (also known as Chen Cheng-Lang and Chen Stanley), Mr. Liu Chun and Ms. Luk Huen Ling Claire.