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## **Season Pacific Holdings Limited**

**雲裳衣控股有限公司\***

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

**(Stock code: 8127)**

### **ANNOUNCEMENT OF FIRST QUARTERLY RESULTS FOR THE THREE MONTHS ENDED 30 JUNE 2016**

#### **CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET (“GEM”) OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)**

**GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.**

**Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the main board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.**

*This announcement, for which the directors (the “Directors”) of Season Pacific Holdings Limited (the “Company”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM (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.*

\* For identification purpose only

The board of Directors (the “Board”) is pleased to announce the unaudited results of the Company and its subsidiaries (the “Group”) for the three months ended 30 June 2016 together with the comparative unaudited figures for the corresponding period in 2015 as follows:

### UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

*For the three months ended 30 June 2016*

	<i>Notes</i>	<b>For the three months ended 30 June</b>	
		<b>2016</b> <i>HK\$'000</i> <b>(unaudited)</b>	<b>2015</b> <i>HK\$'000</i> <b>(unaudited)</b>
Revenue	3	<b>33,586</b>	29,803
Cost of sales	4	<b>(21,985)</b>	(19,238)
Gross profit		<b>11,601</b>	10,565
Selling expenses	4	<b>(1,300)</b>	(685)
General and administrative expenses	4	<b>(4,292)</b>	(10,696)
Operating profit/(loss)		<b>6,009</b>	(816)
Finance expenses	6	<b>(29)</b>	–
Profit/(loss) before income tax		<b>5,980</b>	(816)
Income tax expense	7	<b>(1,078)</b>	(964)
Profit/(loss) and total comprehensive income/(expense) for the period attributable to owners of the Company		<b>4,902</b>	(1,780)
Basic and diluted earnings/(loss) per share attributable to owners of the Company (expressed in HK cents per share)	9	<b>0.49</b>	(0.21)

## UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the three months ended 30 June 2016

	Attributable to owners of the Company				Total equity
	Share capital	Share premium	Capital reserve (Note)	Retained earnings	
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
<b>Balance at 1 April 2016</b>	<b>10,000</b>	<b>9,810</b>	<b>10</b>	<b>16,409</b>	<b>36,229</b>
Profit and total comprehensive income for the period	—	—	—	<b>4,902</b>	<b>4,902</b>
<b>Balance at 30 June 2016 (unaudited)</b>	<b>10,000</b>	<b>9,810</b>	<b>10</b>	<b>21,311</b>	<b>41,131</b>
Balance at 1 April 2015	—	—	10	24,270	24,280
Loss and total comprehensive expense for the period	—	—	—	(1,780)	(1,780)
Dividends (Note 8)	—	—	—	(12,000)	(12,000)
Balance at 30 June 2015 (unaudited)	—	—	10	10,490	10,500

*Note:* Capital reserve of HK\$10,000 represented the difference between the combined capital of group subsidiaries acquired over the nominal value of the share capital of the Company issued in exchange thereof in the group reorganisation prior to the listing of the Company's shares on GEM.

## NOTES TO THE FINANCIAL STATEMENTS

### 1 GENERAL

The Company was incorporated in the Cayman Islands on 11 May 2015 as an exempted company with limited liability under the Companies Law, Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The address of the Company's registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands. The Company has established a place of business in Hong Kong at 5/F, AIA Financial Centre, 112 King Fuk Street, San Po Kong, Kowloon, Hong Kong.

The Company is an investment holding company. The Group is principally engaged in sales of apparel products with the provision of supply chain management total solutions to customers. The ultimate holding company of the Company is Alpha Direct Investments Limited ("Alpha Direct").

The shares of the Company (the "Share(s)") have been listed on GEM by way of placing (the "Listing") on 7 October 2015 (the "Listing Date").

### 2 BASIS OF PREPARATION

This unaudited condensed consolidated financial statements for the three months ended 30 June 2016 (the "Financial Statements") have been prepared in accordance with Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards and Interpretations issued by the Hong Kong Institute of Certified Public Accountants and the disclosure requirements of Hong Kong Companies Ordinance. Besides, the Financial Statements include applicable disclosures required by the GEM Listing Rules. The Financial Statements have been prepared under the historical cost convention and are presented in Hong Kong Dollars ("HK\$"), and all values are rounded to the nearest thousand except when otherwise indicated.

The preparation of the Financial Statements requires the Company's management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of income and expenses. Actual results may differ from these estimates.

In preparing the Financial Statements, the significant judgments made by the Company's management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the Group's audited consolidated financial statements for the year ended 31 March 2016.

### 3 REVENUE

	<b>For the three months ended 30 June</b>	
	<b>2016</b>	<b>2015</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
	<b>(unaudited)</b>	<b>(unaudited)</b>
Revenue		
Sales of goods	<u><u>33,586</u></u>	<u><u>29,803</u></u>

#### 4 EXPENSES BY NATURE

	For the three months ended 30 June	
	2016 HK\$'000 (unaudited)	2015 HK\$'000 (unaudited)
Cost of goods sold	20,258	17,404
Sales commission		
— to a related company	—	307
— to third parties	716	227
Depreciation of property, plant and equipment	118	310
Reversal of provision for impairment of trade receivables	—	(58)
Operating lease rentals in respect of		
— office	833	801
— staff quarter	191	184
— car park	55	50
Auditors' remuneration		
— Audit services	270	250
— Non-audit services	—	—
Employee benefit expenses ( <i>Note 5</i> )	3,468	2,867
Entertainment and travelling expenses	244	540
Listing expenses	—	6,659
Other expenses	1,424	1,078
	<hr/>	<hr/>
Total cost of sales, selling expenses and general and administrative expenses	<u>27,577</u>	<u>30,619</u>

#### 5 EMPLOYEE BENEFIT EXPENSES (INCLUDING DIRECTORS' EMOLUMENTS)

	For the three months ended 30 June	
	2016 HK\$'000 (unaudited)	2015 HK\$'000 (unaudited)
Salaries, bonus and other short-term employee benefits	3,361	2,762
Pension costs — defined contribution plans	107	105
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	<u>3,468</u>	<u>2,867</u>

## 6 FINANCE EXPENSES

	For the three months ended 30 June	
	2016	2015
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(unaudited)	(unaudited)
Interest expenses on bank borrowing	<u>29</u>	<u>–</u>

## 7 INCOME TAX EXPENSE

The amount of taxation charged to the unaudited consolidated statement of comprehensive income represents:

	For the three months ended 30 June	
	2016	2015
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(unaudited)	(unaudited)
Hong Kong profits tax		
— Current income tax	<u>1,078</u>	<u>964</u>

Hong Kong profits tax has been provided at the rate of 16.5% on the estimated assessable profit for each of the periods shown above. The Group is not subject to taxation in the Cayman Islands or the British Virgin Islands.

## 8 DIVIDENDS

The Board does not recommend any payment of dividend for the three months ended 30 June 2016. Dividends of HK\$12,000,000 out of the profits of Seazon Pacific Limited for the year ended 31 March 2015 were proposed and approved on 4 June 2015 and were fully paid on 31 August 2015.

## 9 EARNINGS/(LOSS) PER SHARE

### (a) Basic

Basic earnings/(loss) per share is calculated by dividing the profit/(loss) attributable to owners of the Company by the weighted average number of ordinary shares in issue during the respective periods. In determining the weighted average number of ordinary shares, the 693 ordinary shares of the Company issued to Alpha Direct during the group reorganisation prior to the Listing (the “Reorganisation”) and the additional 654,499,230 shares of the Company under the capitalisation on 22 September 2015 were treated as if they had been in issue since 1 April 2014; the 135 ordinary shares of the Company issued to Success Time Holdings Limited (“Success Time”) during the Reorganisation and the additional 127,499,850 shares of the Company under the capitalisation on 22 September 2015 were treated as if they had been in issue since 13 February 2015; and the 72 ordinary shares of the Company issued to Wise Manner Limited (“Wise Manner”) during the Reorganisation and the additional 67,999,920 shares of the Company under the capitalisation on 22 September 2015 were treated as if they had been in issue since 10 April 2015.

	For the three months ended 30 June	
	2016	2015
	(unaudited)	(unaudited)
Profit/(loss) attributable to owners of the Company (HK\$'000)	4,902	(1,780)
Weighted average number of ordinary shares in issue ('000)	1,000,000	843,275
Basic earnings/(loss) per Share (HK cents per Share)	<u>0.49</u>	<u>(0.21)</u>

### (b) Diluted

Diluted earnings/(loss) per Share were equal to the basic earnings/(loss) per Share as there were no potential dilutive ordinary Shares outstanding during the respective periods.

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **BUSINESS REVIEW**

The Group recorded an increase in revenue of approximately 12.8% for the three months ended 30 June 2016 as compared with that for the three months ended 30 June 2015. Although the global economy remained stagnant during the three months ended 30 June 2016, the Group was able to recognise a stable growth in the American market with an increase in sales of leather garments to two major customers with higher degree of complexity and design elements. The Group has always been offering satisfactory supply chain management total solutions to retain existing customers, and at the same time the Group has been striving to expand the customer base and develop new customer portfolio, not only exploring new sales region but also offering various types of products/services to best fit the customers' changing needs.

The Group recorded a profit and total comprehensive income attributable to owners of the Company of approximately HK\$4.9 million for the three months ended 30 June 2016 as compared with a loss and total comprehensive expense of approximately HK\$1.8 million for the three months ended 30 June 2015. The turnaround from the net loss to the net profit was mainly due to nil listing expense incurred for the three months ended 30 June 2016, while approximately HK\$6.7 million non-recurring listing expenses incurred for the three months ended 30 June 2015.

On 7 October 2015, the Shares have been successfully listed on GEM by placing (the "Placing"). After deducting all the relevant commission and expenses borne by the Company, there are approximately HK\$5.1 million of net proceeds from the Placing. During the period from the Listing Date to 30 June 2016, approximately HK\$1.5 million was utilised in accordance with the business strategies as set out in the Company's prospectus dated 29 September 2015 in relation to the Placing (the "Prospectus"). Further details are set out in the section headed "Use of Proceeds" in this announcement.

### **FINANCIAL REVIEW**

#### **Revenue**

The Group's revenue increased to approximately HK\$33.6 million for the three months ended 30 June 2016 from approximately HK\$29.8 million for the three months ended 30 June 2015, representing an increase of approximately 12.8%. Such an increase in the Group's revenue was mainly attributable to the sales growth of leather garments to two major customers in the American market.

#### **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\$22.0 million for the three months ended 30 June 2016 from approximately HK\$19.2 million for the three months ended 30 June 2015, representing an increase of approximately 14.6%. The Group's cost of sales increased along with the growth in revenue for the three months ended 30 June 2016.

## **Gross profit and gross profit margin**

The Group's gross profit increased to approximately HK\$11.6 million for the three months ended 30 June 2016 from approximately HK\$10.6 million for the three months ended 30 June 2015, representing an increase of approximately 9.4%. The Group's gross profit margin slightly decreased to approximately 34.5% for the three months ended 30 June 2016 from approximately 35.4% for the three months ended 30 June 2015, which was mainly attributable to more competitive pricing offered to both existing and new customers.

## **Selling expenses**

Selling expenses mainly consist of sales commission paid to the external sales representatives and staff costs of in-house staff whose role are mainly focused on sourcing new customers. Selling expenses increased to approximately HK\$1.3 million for the three months ended 30 June 2016 from approximately HK\$0.7 million for the three months ended 30 June 2015, representing an increase of approximately 85.7%. The increase in selling expenses was mainly attributable to the additional staff costs paid to a new merchandising team since June 2015 and service fee paid to a new consultant pursuant to a consultancy agreement entered into with an independent third party for provision of consultancy services to the Group in relation to the sales of the Group's products and services since 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 decreased to approximately HK\$4.3 million for the three months ended 30 June 2016 from approximately HK\$10.7 million for the three months ended 30 June 2015, representing a decrease of approximately 59.8%. Such a decrease was mainly due to nil listing expense incurred for the three months ended 30 June 2016, while approximately HK\$6.7 million non-recurring listing expenses incurred for the three months ended 30 June 2015.

## **Profit/(loss) and total comprehensive income/(expense) attributable to owners of the Company**

A profit and total comprehensive income attributable to owners of the Company of approximately HK\$4.9 million was recognised for the three months ended 30 June 2016 as compared with a loss and total comprehensive expense of approximately HK\$1.8 million for the three months ended 30 June 2015. The turnaround from the net loss to the net profit was mainly due to nil listing expense incurred for the three months ended 30 June 2016, while approximately HK\$6.7 million non-recurring listing expenses incurred for the three months ended 30 June 2015.

## USE OF PROCEEDS

The Shares have been successfully listed on GEM on 7 October 2015. The actual net proceeds from the Placing, 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 one stated in the Prospectus. Thus, the Company 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 (the “Period”) 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. Table below sets out an adjusted allocation and the actual use of the Actual Net Proceeds for the period from the Listing Date to 30 June 2016.

<b>Business strategies as set out in the Prospectus</b>	<b>Adjusted allocation of the Actual Net Proceeds For the period from Listing Date to 30 June 2016 HK\$'000</b>	<b>Actual use of the Actual Net Proceeds For the period from Listing Date to 30 June 2016 HK\$'000</b>
Expand the geographical coverage of the Group's customers ( <i>Note 1</i> )	474	474
Expand the geographical base of the Group's third-party manufacturers	218	127
Further develop the Group's design and development capabilities	337	313
Expand the Group's product types to further cater to customers' needs	260	260
General working capital	<i>Note 2</i>	330
Total	<u>1,289</u>	<u>1,504</u>

### Notes:

1. 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.
2. There is approximately HK\$330,000 for the Period.

## FUTURE PROSPECTS

Brexit in June 2016 would probably deal a blow to Europe, which is one of the Group's major markets. The Group foresees that the economic conditions of the European market will become more challenging and both sales and profit margin will be under pressure. Nevertheless, the Group is confident to maintain its organic growth by further exploring the American market and any other new potential markets with the efforts of setting up new merchandising teams and strengthening the design team, if and when necessary.

In March 2016, the Company has entered into a consultancy agreement with an independent third party for provision of consultancy services to the Group in relation to the sales of the Group's products and services for a period of five years. The Group expects such consultant, which has extensive network and immense experience in apparel industry worldwide, will introduce the Group new customers and business opportunities with the aim to further broaden the Group's customer base for continuous growth, if and when opportunity arises and with profound knowledge in the industry, will advise the Group appropriate strategies with respect to marketing and promotion of products of the Group on a global scale. The Directors are confident that the Group is able to expand the markets and types of customers served and to become a leading supply chain management company in Hong Kong.

## OTHER INFORMATION

### INTERESTS AND SHORT POSITIONS OF DIRECTORS AND CHIEF EXECUTIVE IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at 30 June 2016, the interests and short positions of the Directors and chief executive of the Company in the Shares, underlying Shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong)) (the "SFO") which would have to be notified to the Company and the Stock Exchange under Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO) or which would be required, pursuant to section 352 of the SFO, to be entered in the register as referred to therein, or pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules relating to securities transactions by the Directors to be notified to the Company and the Stock Exchange, are as follows:

Name of Director	Capacity/nature of interest	Number of Shares	Percentage of interest in the Company
Mr. Cheung Lui ("Mr. Cheung")	Interest in controlled corporation ( <i>Note</i> )	554,500,000 (long position)	55.45%

*Note:* Alpha Direct is wholly-owned by Mr. Cheung. Therefore, Mr. Cheung is deemed to be interested in the Shares held by Alpha Direct under the SFO.

Save as disclosed above, as at 30 June 2016, none of the Directors and chief executive of the Company had any interests and short positions in the Shares, underlying Shares and debentures of the Company and any of its associated corporations (within the meaning of Part XV of the SFO) which would have to be notified to the Company and the Stock Exchange under Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO) or which would be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules relating to securities transactions by the Directors to be notified to the Company and the Stock Exchange.

**INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS AND OTHER PERSONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS**

As at 30 June 2016, so far as it is known to the Directors, the following persons, not being a Director or chief executive of the Company, had an interest or short position in the Shares and underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, who was interested, directly or indirectly, in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group:

<b>Name</b>	<b>Capacity/nature of interest</b>	<b>Number of Shares</b>	<b>Percentage of interest in the Company</b>
Alpha Direct	Beneficial owner	554,500,000	55.45%
Ms. Ngan Shui Ling Crystal	Interest of spouse ( <i>Note 1</i> )	554,500,000	55.45%
Success Time	Beneficial owner	87,500,000	8.75%
Mr. Yip Chung Wai David ("Mr. Yip")	Interest in controlled corporation ( <i>Note 2</i> )	87,500,000	8.75%
Ms. Chang Mei Nai Vinnie	Interest of spouse ( <i>Note 2</i> )	87,500,000	8.75%
Wise Manner	Beneficial owner	68,000,000	6.8%
Ms. Mang Ngai ("Ms. Mang")	Interest in controlled corporation ( <i>Note 3</i> )	68,000,000	6.8%

*Notes:*

- Alpha Direct is wholly-owned by Mr. Cheung. Ms. Ngan Shui Ling Crystal ("Mrs. Cheung"), being the spouse of Mr. Cheung, is deemed to be interested in all the Shares that Mr. Cheung is interested in. Accordingly, Mrs. Cheung is deemed to be interested in the 554,500,000 Shares held by Alpha Direct under the SFO.
- Success Time is wholly-owned by Mr. Yip. Ms. Chang Mei Nai Vinnie ("Mrs. Yip"), being the spouse of Mr. Yip, is deemed to be interested in all the Shares that Mr. Yip is interested in. Accordingly, each of Mr. Yip and Mrs. Yip is deemed to be interested in the 87,500,000 Shares held by Success Time under the SFO.
- Wise Manner is wholly-owned by Ms. Mang. Accordingly, Ms. Mang is deemed to be interested in the 68,000,000 Shares held by Wise Manner under the SFO.

Save as disclosed above, as at 30 June 2016, the Directors are not aware of any interests and short positions owned by any parties (other than a Director or chief executive of the Company) in the Shares and underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, who was interested, directly or indirectly, in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group.

## **CORPORATE GOVERNANCE PRACTICES**

The Company's corporate governance practices are based on principles and code provisions as set out in the Corporate Governance Code and Corporate Governance Report as set out in Appendix 15 to the GEM Listing Rules ("CG Code"). The Board and the management of the Company are committed to maintaining and achieving a high standard of corporate governance practices with an emphasis on a quality Board, an effective accountability system and a healthy corporate culture in order to safeguard the interests of the Shareholders and enhance the business growth of the Group.

During the three months ended 30 June 2016, the Company has complied with all the code provisions as set out in the CG Code except the deviation stated in the following paragraph.

Paragraph A.2.1 of the CG Code stipulates that the roles of chairman and chief executive should be separate and should not be performed by the same individual. However, the Board is of the view that although Mr. Cheung is the chairman and chief executive officer of the Company, this structure will not impair the balance of power and authority between the Board and the management of the Company. The balance of power and authority is ensured by the operations of the Board, which comprises experienced and high caliber individuals and meets regularly to discuss issues affecting the operations of the Company. The Board believes that this structure is conducive to strong and consistent leadership, enabling the Group to make and implement decisions efficiently, and thus is in the best interest of the Group. The Board has full confidence in Mr. Cheung and believes that his appointment to the posts of chairman and chief executive officer of the Company is beneficial to the business prospects of the Group.

## **MODEL CODE FOR DIRECTORS' SECURITIES TRANSACTIONS**

The Company has adopted a code of conduct regarding securities transactions by the Directors on terms no less exacting than the required standard of dealings as set out in Rules 5.48 to 5.67 of the GEM Listing Rules. Having been made specific enquiry by the Company, all Directors confirmed that they have complied with the required standard of dealings and the code of conduct concerning securities transactions by the Directors during the three months ended 30 June 2016.

## **SHARE OPTION SCHEME**

A share option scheme was adopted and approved by the then shareholders of the Company on 22 September 2015 (the "Share Option Scheme"). No share options have been granted pursuant to the Share Option Scheme since its adoption.

## **PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES**

During the three months ended 30 June 2016, the Company did not redeem any of its Shares listed on GEM nor did the Company or any of its subsidiaries purchase or sell any such Shares.

## **DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS**

No Director had a material interest in any contract of significance to the business of the Group, to which the Company or any of its subsidiaries was a party during the three months ended 30 June 2016.

## **DIRECTORS' INTERESTS IN COMPETING BUSINESSES**

During the three months ended 30 June 2016 and up to the date of this announcement, none of the Directors or any of their respective close associates, engaged in any business that competes or might compete with the business of the Group, or had any other conflict of interest with the Group.

## **INTERESTS OF THE COMPLIANCE ADVISER**

In accordance with Rule 6A.19 of the GEM Listing Rules, the Company has appointed Guotai Junan Capital Limited ("Guotai Junan") to be the compliance adviser. As informed by Guotai Junan, neither Guotai Junan nor any of its directors or employees or associates, has or may have, any interest in the share capital of the Company or any member of the Group (including options or rights to subscribe for such securities), which is required to be notified to the Company pursuant to Rule 6A.32 of the GEM Listing Rules, except for the compliance adviser agreement entered into between the Company and Guotai Junan dated 22 June 2015.

## AUDIT COMMITTEE

The audit committee of the Company (the “Audit Committee”) was established on 22 September 2015 with its terms of reference in compliance with Rules 5.28 to 5.33 of the GEM Listing Rules and code provision C.3.3 of the CG Code. The terms of reference of the Audit Committee have been revised on 30 March 2016 to reflect the additional responsibilities of the Audit Committee arising from the Stock Exchange’s amendments on risk management and internal control under the Code on Corporate Governance applicable to listed companies with an accounting period beginning on or after 1 January 2016.

The primary duties of the Audit Committee are mainly to make recommendations to the Board on the appointment and removal of external auditor, review the financial statements and material advice in respect of financial reporting, and oversee risk management and internal control systems of the Group.

The Audit Committee currently consists of three members, namely Mr. Ng Ka Lok (chairman of the Audit Committee), Mr. Choi Sheung Jeffrey and Ms. Luk Yung Yung Claire, all being independent non-executive Directors. No member of the Audit Committee is a member of the former or existing independent auditor of the Company. The Audit Committee has reviewed the unaudited consolidated results of the Group for the three months ended 30 June 2016.

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

*Chairman, Chief Executive Officer & Executive Director*

Hong Kong, 10 August 2016

*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 Yung Yung Claire and Mr. Ng Ka Lok.*

*This announcement will remain on the “Latest Company Announcements” page of the website of GEM at [www.hkgem.com](http://www.hkgem.com) for at least 7 days from its date of publication and on the website of the Company at [www.seasonpacific.com](http://www.seasonpacific.com).*