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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)

SUBSCRIPTION OF NEW SHARES UNDER GENERAL MANDATE

THE SUBSCRIPTION AGREEMENT

The Board is pleased to announce that, on 30 June 2020, the Company and the Subscriber entered into the Subscription Agreement, pursuant to which the Subscriber has conditionally agreed to subscribe for, and the Company has conditionally agreed to allot and issue, the Subscription Shares at the Subscription Price on the Completion Date.

The Subscription Shares represent approximately 5.91% of the number of issued Shares as at the date of this announcement, and approximately 5.58% of the number of issued Shares as enlarged by the allotment and issue of the Subscription Shares.

The gross proceeds of the Subscription are estimated to be HK\$60.4 million, and the net proceeds of the Subscription (after deducting all applicable costs and expenses reasonably incurred in relation to the entering of the Subscription Agreement and the related documents) are estimated to be HK\$60.15 million. It is intended that the net proceeds from the Subscription will be used by the Company 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 and strengthening the sales and distribution network of the financial services business of the Group, in order to gain first mover advantage of upcoming cross-border wealth management connect scheme for the Greater Bay Area.

Completion is subject to the fulfillment of the conditions precedent set forth in the Subscription Agreement. As the Subscription may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

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Principal terms of the Subscription Agreement are set forth below:

THE SUBSCRIPTION AGREEMENT

Date

30 June 2020

Parties

- (1) the Company as issuer; and
- (2) CMF Global Quantitative Multi-Asset SPC — CMF FS Asia Equity Opportunity SP as subscriber.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, the Subscriber and its ultimate beneficial owner are third parties independent of the Company and its connected persons.

Number of Subscription Shares

75,500,000 Subscription Shares, which represent approximately 5.91% of the number of issued Shares as at the date of this announcement, and approximately 5.58% of the number of issued Shares as enlarged by the allotment and issue of the Subscription Shares.

The aggregate nominal value of 75,500,000 Subscription Shares is HK\$755,000.

The Subscription Price

The Subscription Price is HK\$0.80 per Subscription Share, and the aggregate Subscription Price for all Subscription Shares shall be paid by the Subscriber to the Company in cash upon Completion. It represents:

- (i) a discount of approximately 1.23% to the closing price of HK\$0.81 per Share as quoted on the Stock Exchange on the date of the Subscription Agreement; and
- (ii) a premium of approximately 8.11% to the average closing price of approximately HK\$0.74 per Share as quoted on the Stock Exchange for the last five trading days immediately prior to the date of the Subscription Agreement.

The Subscription Price was determined with reference to the prevailing market price and the recent trading volume of the Shares and was negotiated on an arm's length basis between the Company and the Subscriber.

The net issue price per Subscription Share is approximately HK\$0.797.

Ranking of Subscription Shares

The Subscription Shares, when issued and fully paid, will rank *pari passu* in all respects among themselves and with the issued Shares as at the Completion Date.

Conditions of the Subscription

Completion is subject to the following conditions:

- (i) the Board having approved the terms and authorised the execution of and performance by the Company of its obligations under the Subscription Agreement;
- (ii) the board of directors of the Subscriber having approved the terms and authorised the execution of and performance of the obligations under the Subscription Agreement on behalf of the Subscriber;
- (iii) the Stock Exchange having granted the listing of, and permission to deal in, the Subscription Shares on the Stock Exchange (and such listing and permission not subsequently revoked);
- (iv) all other necessary consents, approvals, permits or licences from the relevant governmental or regulatory authorities or other third parties in relation to the transactions contemplated under the Subscription Agreement having been obtained; and
- (v) the representations and warranties made by the Company where required to be repeated in accordance with the Subscription Agreement at Completion being materially true and accurate at the time of Completion, as though then made and the Company not otherwise being in material breach of its obligations under the Subscription Agreement.

Each of the conditions set out above is not waivable under any circumstances.

If the conditions set out above are not fulfilled on or before 30 September 2020, being the long stop date, the Subscription Agreement shall be terminated.

Completion

Completion shall take place on the third Business Day after the fulfilment of the conditions (or at such other time and place as designated by the Company).

General Mandate

The Subscription Shares will be allotted and issued under the General Mandate granted to the Directors by the then Shareholders at the annual general meeting of the Company held on 27 September 2019. Pursuant to the General Mandate, the total number of new Shares that the Directors are authorised to allot and issue is 224,760,000 new Shares (up to 20% of the total number of issued Shares as at the date of the annual general meeting held on 27 September 2019, i.e. 1,123,800,000). Up to the date of this announcement, no new Shares have been issued under the General Mandate and the Subscription will utilise 33.59% of the General Mandate upon the subscription of the Subscription Shares in full. Accordingly, the issue of the Subscription Shares will not be subject to the approval of the Shareholders.

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 Subscription Shares.

INFORMATION OF THE SUBSCRIBER

The Subscriber is a segregated portfolio under CMF Global Quantitative Multi-Asset SPC, an exempted company incorporated with limited liability under the laws of the Cayman Islands whose principal activity is to invest in various financial instruments globally. As at the date of this announcement, the Subscriber and CMF Global Quantitative Multi-Asset SPC are managed, and ultimately controlled by Four Seasons Investment Management Limited as investment manager, which is also the sole founder shareholder of the Subscriber. Four Seasons Investment Management Limited is a company incorporated with limited liability under the laws of the Cayman Islands whose principal activity is in asset management services. Four Seasons Investment Management Limited is a wholly owned subsidiary of Silver Tree Hong Kong Limited, a company incorporated with limited liability in Hong Kong licensed by the Securities and Futures Commission for Type 9 (asset management) regulated activities under the Securities and Futures Ordinance.

REASONS FOR THE SUBSCRIPTION AND INTENDED USE OF PROCEEDS

The Group is principally engaged in (i) sales of apparel products with the provision of supply chain management total solutions to customers; and (ii) provision of financial services of licensed businesses including financial advisory services, securities research, referral and brokerage services, and margin financing services.

The gross proceeds of the Subscription are estimated to be approximately HK\$60.4 million, and the net proceeds of the Subscription (after deducting all applicable costs and expenses reasonably incurred in relation to the entering of the Subscription Agreement and the related documents) are estimated to be approximately HK\$60.15 million. The net proceeds of the Subscription are intended to be applied in the following manner:

- (i) approximately HK\$50.00 million (representing approximately 83.13% of the estimated net proceeds from the Subscription) 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; and
- (ii) approximately HK\$10.15 million (representing approximately 16.87% of the estimated net proceeds from the Subscription) for strengthening the sales and distribution network of the financial services business of the Group, in order to gain first mover advantage of upcoming cross-border wealth management connect scheme for the Greater Bay Area.

The terms of the Subscription Agreement (including the Subscription Price) were determined after arm's length negotiations between the Company and the Subscriber with reference to, among other things, the recent trading price of the Shares on the Stock Exchange. The Directors consider that the Subscription will strengthen the capital base of the Company and optimize the Shareholder structure of the Company. In view of the above, the Directors

(including the independent non-executive Directors) are of the view that the terms of the Subscription Agreement are fair and reasonable, on normal commercial terms and are in the interests of the Company and the Shareholders as a whole.

FUND RAISING ACTIVITIES BY THE COMPANY IN THE PAST TWELVE MONTHS

The Directors confirm that the Company has not conducted any fund raising activity involving the issue of its equity securities in the 12 months immediately preceding the date of this announcement.

CHANGES IN SHAREHOLDING STRUCTURE OF THE COMPANY

The following table sets out the shareholding structure of the Company (i) as at the date of this announcement; and (ii) immediately after Completion, assuming that no further Shares have been issued or repurchased before Completion:

| | As at the date of this announcement | | Immediately after Completion (assuming that no further Shares have been issued or repurchased before Completion) | |
|--|--|----------------------|---|----------------------|
| | <i>Number of shares</i> | <i>Approximate %</i> | <i>Number of shares</i> | <i>Approximate %</i> |
| DA Wolf Investments I Limited | 443,722,395 | 34.76 | 443,722,395 | 32.82 |
| Rapid Raise Investments Limited | 222,418,000 | 17.42 | 222,418,000 | 16.45 |
| Mr. Li Ren, a non-executive Director | 113,392,000 | 8.88 | 113,392,000 | 8.39 |
| Ms. Jiang Xinrong, an executive Director | 10,115,000 | 0.79 | 10,115,000 | 0.75 |
| Subscriber | — | — | 75,500,000 | 5.58 |
| Public Shareholders | <u>486,973,605</u> | <u>38.15</u> | <u>486,973,605</u> | <u>36.02</u> |
| Total | <u>1,276,621,000</u> | <u>100</u> | <u>1,352,121,000</u> | <u>100</u> |

Completion is subject to the fulfillment of the conditions precedent set forth in the Subscription Agreement. As the Subscription may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context otherwise requires.

| | |
|-----------------------|---|
| “Board” | the board of Directors |
| “Business Day” | any day (other than a Saturday, a Sunday or a public holiday or a day on which a tropical cyclone warning No.8 or above or a “black rainstorm” warning signal is hoisted in Hong Kong at any time between 9:00 a.m. and 5:00 p.m.) on which commercial banks are open for general banking business in Hong Kong |
| “Company” | DL Holdings Group Limited (formerly known as Season Pacific Holdings Limited), a company incorporated under the law of the Cayman Islands with limited liability and the shares of which are listed on the Main Board of the Stock Exchange |
| “Completion” | completion of the Subscription |
| “Completion Date” | the date on which Completion takes place |
| “connected person(s)” | has the meaning ascribed to it under the Listing Rules |
| “Directors” | the directors of the Company |
| “General Mandate” | the general mandate which was granted to the Directors pursuant to an ordinary resolution passed at the Company’s annual general meeting on 27 September 2019 to allot and issue up to 224,760,000 Shares, representing 20% of the issued Shares of the Company on the date of passing such resolution |
| “Group” | the Company and its subsidiaries |
| “Hong Kong” | the Hong Kong Special Administrative Region of the People’s Republic of China |
| “HK\$” | Hong Kong dollar, the lawful currency of Hong Kong |
| “Listing Rules” | the Rules Governing the Listing of Securities on the Stock Exchange |
| “Share(s)” | ordinary share(s) in the issued share capital of the Company of HK\$0.01 each |
| “Shareholder(s)” | holder(s) of Share(s) |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |

| | |
|--------------------------|---|
| “Subscriber” | CMF FS Asia Equity Opportunity SP, a segregated portfolio under CMF Global Quantitative Multi-Asset SPC, an exempted company incorporated with limited liability under the laws of Cayman Islands |
| “Subscription” | the subscription for the Subscription Shares by the Subscriber pursuant to the terms and conditions of the Subscription Agreement |
| “Subscription Agreement” | the subscription agreement dated 30 June 2020 entered into between the Company and the Subscriber in respect of the Subscription |
| “Subscription Price” | HK\$0.80 per Subscription Share |
| “Subscription Share(s)” | 75,500,000 Shares, being the Shares to be allotted and issued to the Subscriber subject to the terms of the Subscription Agreement |
| “%” | per cent. |

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

Hong Kong, 30 June 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.