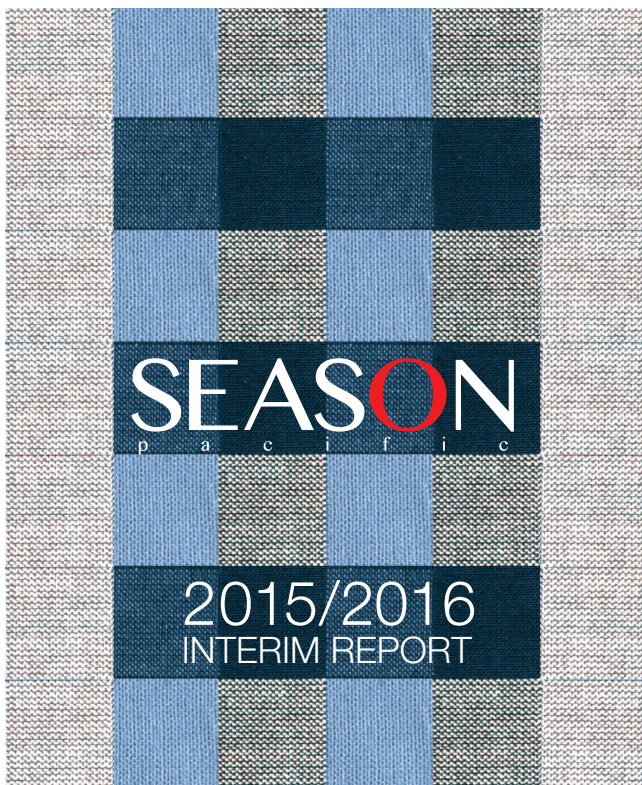


# Season Pacific Holdings Limited

雲裳衣控股有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 8127



## **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.**

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*This report, 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 of the Stock Exchange (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 report 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 report misleading.*

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## FINANCIAL INFORMATION FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2015

The board of Directors (the "Board") of the Company is pleased to announce the unaudited results of the Company and its subsidiaries (the "Group") for the three months and six months ended 30 September 2015 together with the comparative unaudited figures for the corresponding periods in 2014 as follows:

### UNAUDITED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

For the three months and six months ended 30 September 2015

	Notes	For the three months ended 30 September		For the six months ended 30 September	
		2015	2014	2015	2014
		HK\$'000 (unaudited)	HK\$'000 (unaudited)	HK\$'000 (unaudited)	HK\$'000 (unaudited)
Revenue	5	<b>71,791</b>	53,295	<b>101,594</b>	86,727
Cost of sales	6	<b>(49,601)</b>	(37,178)	<b>(68,839)</b>	(64,613)
Gross profit		<b>22,190</b>	16,117	<b>32,755</b>	22,114
Other income	5	<b>253</b>	24	<b>253</b>	42
Selling expenses	6	<b>(876)</b>	(884)	<b>(1,561)</b>	(1,515)
General and administrative expenses	6	<b>(9,641)</b>	(3,603)	<b>(20,337)</b>	(7,320)
Operating profit		<b>11,926</b>	11,654	<b>11,110</b>	13,321
Finance expenses		–	–	–	(6)
Profit before income tax		<b>11,926</b>	11,654	<b>11,110</b>	13,315
Income tax expense	8	<b>(2,783)</b>	(1,921)	<b>(3,747)</b>	(2,195)
Profit and total comprehensive income for the period attributable to owners of the Company		<b>9,143</b>	9,733	<b>7,363</b>	11,120
Basic and diluted earnings per share for profit attributable to owners of the Company (expressed in HK cents per share)	10	<b>1.08</b>	1.49	<b>0.87</b>	1.70

# UNAUDITED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

As at 30 September 2015

	Notes	30 September 2015 HK\$'000 (unaudited)	31 March 2015 HK\$'000 (audited)
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	11	879	1,418
Deferred income tax asset		164	164
Rental deposits	12	1,759	–
		<b>2,802</b>	1,582
<b>Current assets</b>			
Trade and bills receivable, prepayments and deposits	12	31,399	15,745
Cash and cash equivalents		23,451	29,366
		<b>54,850</b>	45,111
<b>Total assets</b>		<b>57,652</b>	46,693
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to owners of the Company</b>			
Share capital	13	8,500	–
Other reserves		(8,490)	10
Retained earnings			
— Proposed interim dividend	9	–	12,000
— Others		19,633	12,270
<b>Total equity</b>		<b>19,643</b>	24,280
<b>Non-current liabilities</b>			
Provision for reinstatement cost	14	250	–
<b>Current liabilities</b>			
Trade, bills and other payables	14	32,544	10,186
Amount due to a director	17	–	6,928
Current income tax liabilities		5,215	5,299
		<b>37,759</b>	22,413
<b>Total liabilities</b>		<b>38,009</b>	22,413
<b>Total equity and liabilities</b>		<b>57,652</b>	46,693
<b>Net current assets</b>		<b>17,091</b>	22,698
<b>Total assets less current liabilities</b>		<b>19,893</b>	24,280

# UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 September 2015

	Attributable to owners of the Company				Total equity HK\$'000
	Share capital HK\$'000	Share premium HK\$'000	Capital reserve HK\$'000	Retained earnings HK\$'000	
<b>Balance at 1 April 2015</b>	–	–	10	24,270	24,280
Dividend (Note 9)	–	–	–	(12,000)	(12,000)
Profit and total comprehensive income for the period	–	–	–	7,363	7,363
Shares issued upon capitalisation (Note 13)	8,500	(8,500)	–	–	–
<b>Balance at 30 September 2015 (unaudited)</b>	<b>8,500</b>	<b>(8,500)</b>	<b>10</b>	<b>19,633</b>	<b>19,643</b>
Balance at 1 April 2014	–	–	10	9,490	9,500
Profit and total comprehensive income for the period	–	–	–	11,120	11,120
Balance at 30 September 2014 (unaudited)	–	–	10	20,610	20,620

# UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 September 2015

	For the six months ended 30 September	
	2015 HK\$'000 (unaudited)	2014 HK\$'000 (unaudited)
<b>Cash flows from operating activities</b>		
Cash generated from operations	17,561	2,382
Interest paid	–	(6)
Income tax paid	(3,831)	–
<b>Net cash generated from operating activities</b>	<b>13,730</b>	2,376
<b>Cash flows from investing activities</b>		
Purchases of property, plant and equipment	(83)	(87)
<b>Cash used in investing activities</b>	<b>(83)</b>	(87)
<b>Cash flows from financing activities</b>		
Decrease in short-term bank borrowing	–	(320)
Decrease in amount due to a director	(6,928)	(155)
Dividends paid to the then owner of a company now comprising the Group	(12,000)	–
Payment of listing expenses (equity portion)	(634)	–
<b>Cash use in financing activities</b>	<b>(19,562)</b>	(475)
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(5,915)</b>	1,814
Cash and cash equivalents at beginning of the period	29,366	7,003
<b>Cash and cash equivalents at the end of the period</b>	<b>23,451</b>	8,817

# 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 "Listing Business"). The ultimate holding company of the Company is Alpha Direct Investments Limited ("Alpha Direct"). The ultimate controlling party of the Group is Mr. Cheung Lui ("Mr. Cheung").

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

## 2 REORGANISATION

Pursuant to the group reorganisation prior to the Listing (the "Reorganisation"), the Company acquired the shareholding interests in the Listing Business through the following steps:

- (i) On 21 July 2014, Seazon Pacific Limited ("Seazon Pacific") disposed of its interests in Unkut International Limited ("Unkut") to Fine Sight Enterprises Limited ("Fine Sight"), a company wholly owned by Mr. Cheung, at a consideration of HK\$10,000.
- (ii) On 13 February 2015, the issued share capital of Fine Sight was enlarged from US\$50,000 to US\$100,000 by allotting and issuing 35,000 shares at its par value of US\$1 to Mr. Cheung. At the same time, Fine Sight issued 15,000 shares to Success Time Holdings Limited ("Success Time") which is solely owned by Mr. Yip Chung Wai David ("Mr. Yip") at consideration of HK\$8,000,000.
- (iii) On 2 April 2015, Trinity Ally Limited ("Trinity Ally") was incorporated in the British Virgin Islands (the "BVI") with one share allotted and issued at par value of HK\$1 to Fine Sight on 5 June 2015.
- (iv) On 2 April 2015, Alpha Direct was incorporated in the BVI with one share allotted and issued at par value of HK\$1 to Mr. Cheung on 24 April 2015.



## NOTES TO THE FINANCIAL STATEMENTS

### 2 REORGANISATION *(Continued)*

- (v) On 10 April 2015, Mr. Cheung transferred 8% equity interest of Fine Sight to Wise Manner Limited (“Wise Manner”) which was solely owned by Ms. Martine Mang Ngai (“Ms. Mang”) at a consideration of HK\$4,266,667. Since then, Fine Sight was ultimately owned as at 77% by Mr. Cheung, 15% by Mr. Yip and 8% by Ms. Mang.
- (vi) On 11 May 2015, the Company was incorporated in the Cayman Islands with one share allotted and issued at par value of HK\$0.01 to a first subscriber, who then transferred the share to Alpha Direct. On the same date, 76, 15 and 8 shares were allotted and issued at its par value of HK\$0.01 to Alpha Direct, Success Time and Wise Manner, respectively.
- (vii) On 17 September 2015, all the entire issued share capital of Seazon Pacific held by Fine Sight were transferred to Trinity Ally for a consideration of allotting and issuing 99 shares in Trinity Ally to Fine Sight. As a result, Seazon Pacific became a wholly owned subsidiary of Fine Sight through Trinity Ally.
- (viii) On 22 September 2015, the Company acquired Trinity Ally from Fine Sight for a consideration of allotting and issuing 900 shares to Fine Sight. Since then, Trinity Ally became a wholly owned subsidiary of the Company and the Company was owned as to 900 shares by Fine Sight. As a result, the Company was owned as to 90% by Fine Sight, 7.7% by Alpha Direct, 1.5% by Success Time and 0.8% by Wise Manner.
- (ix) On 22 September 2015, Fine Sight declared a distribution in specie to distribute all its interests in the Company to its then shareholders. Mr. Cheung nominated Alpha Direct for the purpose of holding his interests in the Company under the distribution in specie. As a result, the Company is owned as to 77% by Alpha Direct, 8% by Wise Manner and 15% by Success Time.

After the completion of the Reorganisation steps as described above, the Company became the holding company of the subsidiaries now comprising the Group.

## NOTES TO THE FINANCIAL STATEMENTS

### 3 BASIS OF PREPARATION

This unaudited condensed consolidated financial information for the three months and six months ended 30 September 2015 (“Interim Financial Information”) has been prepared in accordance with Hong Kong Accounting Standard 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and the applicable disclosure provisions of the GEM Listing Rules. The Interim Financial Information has been prepared under the historical cost convention and is presented in Hong Kong Dollars (“HK\$”), and all values are rounded to the nearest thousand except when otherwise indicated.

The Interim Financial Information should be read in conjunction with the Accountant’s Report for the years ended 31 March 2014 and 2015, which has been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the HKICPA, as set out in the prospectus of the Company dated 29 September 2015 (the “Prospectus”).

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

In preparing the Interim Financial Information, 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 Accountant’s Report in the Prospectus.

### 4 ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of the Interim Financial Information are consistent with those used in the Accountant’s Report in the Prospectus.

Taxes on income for the six months ended 30 September 2014 and 2015 were accrued using the tax rate that would be applicable to expected total annual earnings.

The following new or amended standards have been adopted by the Group for the first time for the financial year beginning on or after 1 April 2015:

HKAS 19 (Amendment)	Defined Benefit Plans: Employee Contributions
Annual improvements 2010 to 2012	Improvements to HKASs and HKFRSs
Annual improvements 2011 to 2013	Improvements to HKASs and HKFRSs

## NOTES TO THE FINANCIAL STATEMENTS

### 4 ACCOUNTING POLICIES *(Continued)*

The following new standards and amendments/revisions to standards have been issued, but are not effective for the financial year beginning 1 April 2015 and have not been early adopted by the Group.

		<b>Effective for accounting periods beginning on or after</b>
Amendments to HKAS 1	The disclosure initiative	1 January 2016
HKAS 16 and HKAS 38 (Amendment)	Clarification of acceptable methods of depreciation and amortisation	1 January 2016
HKAS 16 and HKAS 41 (Amendment)	Agriculture: bearer plants	1 January 2016
HKAS 27 (Amendment)	Equity method in separate financial statements	1 January 2016
HKFRS 7 and HKFRS 9 (Amendment)	Mandatory effective date of HKFRS 9 and transition disclosures	1 January 2018
HKFRS 9	Financial instruments	1 January 2018
HKFRS 10, HKFRS 12 and HKAS 28 (Amendment)	Investments entities applying the consolidation exception	1 January 2016
HKFRS 11 (Amendment)	Accounting for acquisitions of interests in joint operation	1 January 2016
HKFRS 14	Regulatory deferral accounts	1 January 2016
HKFRS 15	Revenue from contracts with customers	1 January 2017
Annual improvement to HKFRSs	2012–2014 cycle	1 January 2016

The Group is in the process of making an assessment on the impact of these standards, amendments and interpretations to existing Hong Kong Accounting Standards and HKFRSs and is not yet in a position to state whether they will have a significant impact on the Group's results of operations and financial position.

## NOTES TO THE FINANCIAL STATEMENTS

### 5 SEGMENT INFORMATION

The executive Directors have been identified as the chief operating decision maker of the Group who reviews the Group's internal reporting in order to assess performance and allocate resources.

The Group is principally engaged in sales of apparel products with the provision of supply chain management total solutions to customers. Information reported to the executive Directors for the purpose of resources allocation and performance assessment focuses on the operation results of the Group as a whole as the Group's resources are integrated. Accordingly, the Group has identified one operating segment — sales of apparel with the provision of supply chain management total solutions to customers, and segment disclosures are not presented.

Analysis of revenue and other income is as follows:

	For the three months ended 30 September		For the six months ended 30 September	
	2015 HK\$'000 (unaudited)	2014 HK\$'000 (unaudited)	2015 HK\$'000 (unaudited)	2014 HK\$'000 (unaudited)
Revenue				
Sales of goods	<b>71,791</b>	53,295	<b>101,594</b>	86,727
Other income				
Service fee income	<b>253</b>	11	<b>253</b>	29
Gain from disposal of a subsidiary	–	13	–	13
	<b>253</b>	24	<b>253</b>	42
Total revenue and other income	<b>72,044</b>	53,319	<b>101,847</b>	86,769

## NOTES TO THE FINANCIAL STATEMENTS

### 5 SEGMENT INFORMATION *(Continued)*

Revenue from external customers is analysed by region as follows:

	For the three months ended 30 September		For the six months ended 30 September	
	2015 HK\$'000 (unaudited)	2014 HK\$'000 (unaudited)	2015 HK\$'000 (unaudited)	2014 HK\$'000 (unaudited)
Europe	23,093	28,007	25,702	43,313
Middle East	21,009	20,331	32,122	33,857
America	25,897	1,574	36,721	5,543
Asia Pacific	1,792	3,383	7,049	4,014
	<b>71,791</b>	53,295	<b>101,594</b>	86,727

Revenue individually generated from the following customers contributed more than 10% of the total revenue of the Group:

	For the three months ended 30 September		For the six months ended 30 September	
	2015 HK\$'000 (unaudited)	2014 HK\$'000 (unaudited)	2015 HK\$'000 (unaudited)	2014 HK\$'000 (unaudited)
Customer A	15,479	18,770	26,491	31,698
Customer B	14,563	–	22,347	–
Customer C	9,976	–	10,606	–
Customer D	9,393	20,297	9,393	23,789

## NOTES TO THE FINANCIAL STATEMENTS

### 6 EXPENSES BY NATURE

	For the three months ended 30 September		For the six months ended 30 September	
	2015 HK\$'000 (unaudited)	2014 HK\$'000 (unaudited)	2015 HK\$'000 (unaudited)	2014 HK\$'000 (unaudited)
Cost of goods sold	<b>47,738</b>	35,142	<b>65,142</b>	60,575
Sales commission				
— to a related company (Note 17)	<b>363</b>	578	<b>670</b>	1,155
— to third parties	<b>169</b>	241	<b>396</b>	307
Depreciation of property, plant and equipment	<b>312</b>	284	<b>622</b>	546
Reversal of provision for impairment of trade receivables (Note 12)	—	—	<b>(58)</b>	—
Operating lease rentals in respect of				
— office	<b>821</b>	752	<b>1,622</b>	1,504
— staff quarter	<b>191</b>	180	<b>375</b>	370
— warehouse	—	72	—	145
— car park	<b>51</b>	47	<b>101</b>	94
Auditors' remuneration	<b>250</b>	75	<b>500</b>	150
Employee benefit expenses (Note 7)	<b>3,373</b>	2,775	<b>6,240</b>	5,676
Entertainment and travelling expenses	<b>576</b>	494	<b>1,116</b>	899
Listing expenses	<b>4,939</b>	—	<b>11,598</b>	—
Other expenses	<b>1,335</b>	1,025	<b>2,413</b>	2,027
Total cost of sales, selling expenses and general and administrative expenses	<b>60,118</b>	41,665	<b>90,737</b>	73,448

## NOTES TO THE FINANCIAL STATEMENTS

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

	For the three months ended 30 September		For the six months ended 30 September	
	2015 HK\$'000 (unaudited)	2014 HK\$'000 (unaudited)	2015 HK\$'000 (unaudited)	2014 HK\$'000 (unaudited)
Wages, salaries and bonus	3,262	2,711	6,024	5,510
Pension costs — defined contribution plans	111	64	216	166
	<b>3,373</b>	2,775	<b>6,240</b>	5,676

### 8 INCOME TAX EXPENSE

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

	For the three months ended 30 September		For the six months ended 30 September	
	2015 HK\$'000 (unaudited)	2014 HK\$'000 (unaudited)	2015 HK\$'000 (unaudited)	2014 HK\$'000 (unaudited)
Hong Kong profits tax — Current income tax	2,783	1,921	3,747	2,195

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.

### 9 DIVIDENDS

The Board does not declare any payment of dividend for the six months ended 30 September 2015. Interim dividends of HK\$12,000,000 out of the profits of Seazon Pacific for the year ended 31 March 2015 were proposed and approved on 4 June 2015. Such interim dividends were fully paid on 31 August 2015.

## NOTES TO THE FINANCIAL STATEMENTS

### 10 BASIC AND DILUTED EARNINGS PER SHARE

#### (a) Basic

Basic earnings per share is calculated by dividing the profit 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 the controlling party during the Reorganisation and the additional 654,499,230 shares 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 during the Reorganisation (Note 13(b)) and the additional 127,499,850 shares 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 during the Reorganisation (Note 13(b)) and the additional 67,999,920 shares 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 September		For the six months ended 30 September	
	2015 (unaudited)	2014 (unaudited)	2015 (unaudited)	2014 (unaudited)
Profit attributable to owners of the Company (HK\$'000)	<b>9,143</b>	9,733	<b>7,363</b>	11,120
Weighted average number of ordinary shares in issue ('000)	<b>850,000</b>	654,500	<b>843,033</b>	654,500
Basic earnings per share (HK cents per share)	<b>1.08</b>	1.49	<b>0.87</b>	1.70

#### (b) Diluted

Diluted earnings per share is the same as basic earnings per share due to the absence of dilutive potential ordinary shares during the respective periods.



## NOTES TO THE FINANCIAL STATEMENTS

### 11 PROPERTY, PLANT AND EQUIPMENT

	Leasehold improvements HK\$'000	Office equipment HK\$'000	Computer equipment HK\$'000	Fitting and furniture HK\$'000	Total HK\$'000
<b>Six months ended</b>					
<b>30 September 2015</b>					
Opening net book value as at					
1 April 2015	955	39	421	3	1,418
Additions	–	–	81	2	83
Depreciation	(477)	(6)	(138)	(1)	(622)
Closing net book value as at					
30 September 2015 (unaudited)	478	33	364	4	879
<b>Six months ended</b>					
<b>30 September 2014</b>					
Opening net book value as at					
1 April 2014	1,909	52	557	3	2,521
Additions	–	–	87	–	87
Depreciation	(436)	(7)	(103)	–	(546)
Closing net book value as at					
30 September 2014 (unaudited)	1,473	45	541	3	2,062

## NOTES TO THE FINANCIAL STATEMENTS

### 12 TRADE AND BILLS RECEIVABLE, PREPAYMENTS AND DEPOSITS

	<b>30 September 2015 HK\$'000 (unaudited)</b>	31 March 2015 HK\$'000 (audited)
Gross trade and bills receivable	<b>29,802</b>	13,931
Provision for impairment of trade and bills receivable	–	(58)
Trade and bills receivables, net of provision	<b>29,802</b>	13,873
Rental deposits	<b>1,891</b>	987
Deferred listing cost	–	474
Prepayments	<b>1,459</b>	393
Other receivables	<b>6</b>	18
	<b>33,158</b>	15,745
Less: Non-current portion		
Long-term portion of rental deposits	<b>(1,759)</b>	–
	<b>31,399</b>	15,745

The carrying amounts of trade and bills receivable, prepayments and deposits approximated their fair values.

## NOTES TO THE FINANCIAL STATEMENTS

### 12 TRADE AND BILLS RECEIVABLE, PREPAYMENTS AND DEPOSITS *(Continued)*

The Group's sales are with credit terms of up to 90 days. The ageing analysis of trade and bills receivable, net of provision, based on due date, is as follows:

	<b>30 September 2015 HK\$'000 (unaudited)</b>	31 March 2015 HK\$'000 (audited)
Current	<b>15,275</b>	10,581
1 to 30 days	<b>13,147</b>	739
31 to 60 days	<b>1,264</b>	160
61 to 90 days	<b>7</b>	313
Over 90 days	<b>109</b>	2,080
Past due but not impaired	<b>14,527</b>	3,292
Total trade and bills receivable, net of provision	<b>29,802</b>	13,873

Trade receivables that were past due but not impaired relate to a number of independent customers for whom there is no significant financial difficulty and based on past experience, the overdue amounts can be recovered.

As at 31 March 2015, trade receivables of HK\$58,000 were impaired and full provision was made, which related to an independent customer in unexpectedly difficult economic situations. As at 30 September 2015, it was fully recovered. The ageing of such trade receivables is as follows:

	<b>30 September 2015 HK\$'000 (unaudited)</b>	31 March 2015 HK\$'000 (audited)
Over 90 days	–	58

## NOTES TO THE FINANCIAL STATEMENTS

### 12 TRADE AND BILLS RECEIVABLE, PREPAYMENTS AND DEPOSITS *(Continued)*

Movements on the provision for impairment of trade and bills receivable are as follows:

	HK\$'000
At 1 April 2015	58
Reversal of provision for impairment of trade and bills receivable	(58)
At 30 September 2015 (unaudited)	–
At 1 April 2014 and 30 September 2014 (unaudited)	1,295

### 13 SHARE CAPITAL

#### Authorised share capital

	Number of ordinary shares	Nominal value of ordinary shares HK\$ (unaudited)
As at 11 May 2015 (Date of incorporation) (Note a)	38,000,000	380,000
Increase in authorised share capital (Note c)	9,962,000,000	99,620,000
As at 30 September 2015	10,000,000,000	100,000,000

#### Issued and fully paid

	Number of ordinary shares	Nominal value of ordinary shares HK\$ (unaudited)
As at 11 May 2015 (Date of incorporation) (Note a)	100	1
Allotment of shares pursuant to the Reorganisation (Note b)	900	9
Capitalisation of shares (Note c)	849,999,000	8,499,990
As at 30 September 2015	850,000,000	8,500,000

## NOTES TO THE FINANCIAL STATEMENTS

### 13 SHARE CAPITAL *(Continued)*

#### Notes

- (a) On 11 May 2015, the Company was incorporated in the Cayman Islands with one share allotted and issued at par value of HK\$0.01 to a first subscriber, who then transferred the share to Alpha Direct. On the same date, 76, 15 and 8 shares were allotted and issued at its par value of HK\$0.01 to Alpha Direct, Success Time and Wise Manner, respectively.
- (b) On 22 September 2015, the Company acquired Trinity Ally from Fine Sight for a consideration of allotting and issuing 900 shares to Fine Sight. Since then, Trinity Ally became a wholly owned subsidiary of the Company and the Company was owned as to 900 shares by Fine Sight. As a result, the Company was owned as to 90% by Fine Sight, 7.7% by Alpha Direct, 1.5% by Success Time and 0.8% by Wise Manner.
- (c) On 22 September 2015, the authorised share capital of the Company increased from HK\$380,000 to HK\$100,000,000 by the creation of additional 9,962,000,000 shares of HK\$0.01 each. On the same date, the Company capitalised an amount of HK\$8,499,990 by charging to the share premium account of the Company at condition and that the said sum to be applied in paying up in full for 849,999,000 shares. Such shares are allotted and issued, credited as fully paid to the then shareholders of the Company.

### 14 PROVISION FOR REINSTATEMENT COST, TRADE, BILLS AND OTHER PAYABLES

	<b>30 September 2015 HK\$'000 (unaudited)</b>	31 March 2015 HK\$'000 (audited)
Trade and bills payable	<b>23,624</b>	5,316
Commission payable		
— to a related company (Note 17c)	<b>475</b>	2,310
— to a third party	—	56
Receipts in advance from customers	<b>1,173</b>	1,070
Provision for reinstatement cost	<b>250</b>	250
Accrued employee benefits expenses	<b>901</b>	512
Deferred rent	<b>71</b>	71
Accrued listing expenses	<b>5,512</b>	—
Other accruals and payables	<b>788</b>	601
	<b>32,794</b>	10,186
Less: Non-current portion		
Provision for reinstatement cost	<b>(250)</b>	—
	<b>32,544</b>	10,186

## NOTES TO THE FINANCIAL STATEMENTS

### 14 PROVISION FOR REINSTATEMENT COST, TRADE, BILLS AND OTHER PAYABLES *(Continued)*

#### Trade and bills payable

The ageing analysis of the trade and bills payable based on due date is as follows:

	<b>30 September 2015 HK\$'000 (unaudited)</b>	31 March 2015 HK\$'000 (audited)
Current	<b>22,524</b>	1,824
1 to 30 days	<b>578</b>	3,023
31 to 60 days	<b>401</b>	168
61 to 90 days	<b>10</b>	46
Over 90 days	<b>111</b>	255
	<b>23,624</b>	5,316

### 15 DISPOSAL OF A SUBSIDIARY

The Group disposed of its entire interests in Unkut, a wholly-owned subsidiary, to Fine Sight, a related company, at a consideration of HK\$10,000 on 21 July 2014. There was no any disposal of subsidiary during the six months ended 30 September 2015.

## NOTES TO THE FINANCIAL STATEMENTS

### 16 COMMITMENTS

The Group leases its office and staff quarter under non-cancellable operating lease agreements. The lease terms range from two to three years.

The future aggregate minimum lease payments under non-cancellable operating leases of the Group are as follows:

	<b>30 September 2015 HK\$'000 (unaudited)</b>	31 March 2015 HK\$'000 (audited)
Operating lease of office and staff quarter		
No later than 1 year	<b>3,794</b>	3,544
Later than 1 year and no later than 5 years	<b>4,965</b>	–
	<b>8,759</b>	3,544

The Group did not have any material capital commitments as at 31 March and 30 September 2015.

### 17 RELATED PARTY TRANSACTIONS

- (a) The Directors are of the view that the following parties/companies were related parties that had transactions or balances with the Group during the six months ended 30 September 2014 and 2015:

<b>Name of the related party</b>	<b>Relationship with the Group</b>
Mr. Cheung	Executive director and ultimate shareholder of the Company
Seven Retail Limited	Controlled by Ms. Mang, a shareholder of the Company
OSG Sourcing Limited	Controlled by Ms. Mang, a shareholder of the Company

## NOTES TO THE FINANCIAL STATEMENTS

### 17 RELATED PARTY TRANSACTIONS *(Continued)*

#### (b) Transactions with related parties

Save as disclosed elsewhere in the Interim Financial Information, during the six months ended 30 September 2014 and 2015, the following transactions were carried out with related parties at terms mutually agreed by both parties:

	For the three months ended 30 September		For the six months ended 30 September	
	2015 HK\$'000 (unaudited)	2014 HK\$'000 (unaudited)	2015 HK\$'000 (unaudited)	2014 HK\$'000 (unaudited)
Sales commission expenses to Seven Retail Limited	363	578	670	1,155

#### (c) Amounts due to related parties

The outstanding balances due to a director and a related company were unsecured, interest-free and repayable on demand. The balances are denominated in HK\$ and approximated their fair values.

	30 September 2015 HK\$'000 (unaudited)	31 March 2015 HK\$'000 (audited)
<b>Non-trade</b>		
Amount due to Mr. Cheung	–	6,928
<b>Trade</b>		
Sales commission payable to Seven Retail Limited	475	2,310



## NOTES TO THE FINANCIAL STATEMENTS

### 17 RELATED PARTY TRANSACTIONS *(Continued)*

#### (d) Key management compensation

Key management includes Directors and senior management of the Group. The compensation paid or payable to key management for employee services is shown below:

	For the three months ended 30 September 2015		For the six months ended 30 September 2015	
	HK\$'000 (unaudited)	2014 HK\$'000 (unaudited)	HK\$'000 (unaudited)	2014 HK\$'000 (unaudited)
Salaries and other short-term employee benefits	1,181	1,009	2,060	1,958
Pension costs — defined contribution plans	23	27	42	51
	<b>1,204</b>	1,036	<b>2,102</b>	2,009

#### (e) Other arrangements with related parties

The operating lease agreements for the office and warehouse were entered by Seven Retail Limited and OSG Sourcing Limited, respectively, and the landlords. Seven Retail Limited and OSG Sourcing Limited have assigned all the liabilities and obligation under the operating lease agreements to the Group. The operating lease agreement for the warehouse expired in December 2014 and was not renewed. The existing operating lease agreement for the office was terminated effective 30 April 2015, and a new operating lease agreement of the office with effective date on 1 May 2015 was entered by Seazon Pacific, a subsidiary of the Group, and the landlord.

### 18 CONTINGENT LIABILITIES

The Group did not have material contingent liabilities as at 31 March and 30 September 2015.

### 19 SUBSEQUENT EVENTS

Save as disclosed in other part of this interim report, the following significant event took place subsequent to 30 September 2015:

The Shares were successfully listed on GEM by way of placing on 7 October 2015 (the "Placing"). Upon completion of the Placing, 150,000,000 ordinary Shares of HK\$0.01 each were issued at a price of HK\$0.15 per Share for a total consideration of HK\$22.5 million. This resulted in the Company's share premium of approximately HK\$21 million.

# MANAGEMENT DISCUSSION AND ANALYSIS

## BUSINESS REVIEW

During the six months ended 30 September 2015, the Group recorded an increase in revenue of approximately 17.2% as compared with that for the six months ended 30 September 2014. Apart from maintaining a steady development in the new sales region of Asia Pacific market since prior financial year, the Group managed to secure new customers with relatively material agreements from Americas market during the six months ended 30 September 2015. Thus, revenue generated from Americas customers contributed approximately 36.1% of total revenue for the six months ended 30 September 2015 and more than quintupled as compared with that for the six months ended 30 September 2014. The Group was 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. Furthermore, the Group has set up a new merchandising team during the six months ended 30 September 2015 focusing on sourcing new customers in the Americas market.

Non-recurring listing expenses of approximately HK\$11.6 million has been recognised during the six months ended 30 September 2015, which diluted the positive effect of the increase in revenue brought to the Group during the six months ended 30 September 2015. As a result, the net profit attributable to the Shareholders decreased by approximately 33.8% for the six months ended 30 September 2015 as compared with that for the six months ended 30 September 2014.

On 7 October 2015, the Shares were successfully listed on GEM by 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. Such net proceeds will be used as intended by the Group and details of which are set out in the section headed "Use of proceeds" in this report.

## FINANCIAL REVIEW

### Revenue

The Group's revenue increased to approximately HK\$101.6 million for the six months ended 30 September 2015 from approximately HK\$86.7 million for the six months ended 30 September 2014, representing an increase of approximately 17.2%. Such an increase in the Group's revenue was mainly attributable to 11 new customers sourced by the Group during the six months ended 30 September 2015.

### 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\$68.8 million for the six months ended 30 September 2015 from approximately HK\$64.6 million for the six months ended 30 September 2014, representing an increase of approximately 6.5%. The Group's cost of sales increased along with the growth in revenue for the six months ended 30 September 2015.

## MANAGEMENT DISCUSSION AND ANALYSIS

### Gross profit and gross profit margin

The Group's gross profit increased to approximately HK\$32.8 million for the six months ended 30 September 2015 from approximately HK\$22.1 million for the six months ended 30 September 2014, representing an increase of approximately 48.4%. Correspondingly, the Group's gross profit margin increased to approximately 32.2% for the six months ended 30 September 2015 from approximately 25.5% for the six months ended 30 September 2014. During the six months ended 30 September 2015, certain relatively high-end and complex products were sold at a higher gross profit margin and thus it improved the overall gross profit margin of the Group as compared with that for the six months ended 30 September 2014.

### Other income

Other income consists of service fee income and gain from disposal of a subsidiary. The Group's other income increased to approximately HK\$253,000 for the six months ended 30 September 2015 from approximately HK\$42,000 for the six months ended 30 September 2014, representing an increase of approximately 502.4%. The increase was mainly attributable to an increase in the Group's service fee income.

### 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 slightly increased to approximately HK\$1.6 million for the six months ended 30 September 2015 from approximately HK\$1.5 million for the six months ended 30 September 2014, representing an increase of approximately 6.7%. Commission rate of one of the external sales representatives dropped during the six months ended 30 September 2015, which resulted relatively less extent of increase in the Group's selling expenses, while the Group's revenue increased by approximately 17.2% for the six months ended 30 September 2015.

### General and administrative expenses

General and administrative expenses primarily consist of employee benefit expenses, operating lease rental mainly for office, entertainment and travelling expenses, depreciation of property, plant and equipment, legal and professional fee, listing expenses and other miscellaneous general and administrative expenses. General and administrative expenses increased to approximately HK\$20.3 million for the six months ended 30 September 2015 from approximately HK\$7.3 million for the six months ended 30 September 2014, representing an increase of approximately 178.1%. Such an increase was mainly attributable to the recognition of non-recurring listing expenses of approximately HK\$11.6 million for the six months ended 30 September 2015.

## MANAGEMENT DISCUSSION AND ANALYSIS

### Profit and total comprehensive income attributable to owners of the Company

Profit and total comprehensive income attributable to owners of the Company decreased to approximately HK\$7.4 million for the six months ended 30 September 2015 from approximately HK\$11.1 million for the six months ended 30 September 2014, representing a decrease of approximately 33.3%. Recognition of the non-recurring listing expenses of approximately HK\$11.6 million during the six months ended 30 September 2015 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 six months ended 30 September 2015 as compared with that for the six months ended 30 September 2014.

### LIQUIDITY AND FINANCIAL RESOURCES

During the six months ended 30 September 2015, the Group mainly financed its operations with its own working capital. As at 31 March 2015 and 30 September 2015, the Group had net current assets of approximately HK\$22.7 million and HK\$17.1 million respectively, including cash and bank balances of approximately HK\$29.4 million and HK\$23.5 million respectively. The Group's current ratio decreased from approximately 2.0 as at 31 March 2015 to approximately 1.5 as at 30 September 2015. Such decrease was mainly attributable to the payment of interim dividend of HK\$12 million to the then owner of a company now comprising the Group during the year ended 31 March 2015 and an increase in the balance of trade payables as at 30 September 2015. Gearing ratio is calculated by dividing total debts by total equity as at the end of the period. As at 31 March 2015, the Group's gearing ratio was approximately 0.3 times, while the Group had nil balance of bank borrowings or payables incurred not in the ordinary course of business as at 30 September 2015.

### COMMITMENTS

The Group's contractual commitments primarily related to the leases of its office premises and staff quarter. The Group's operating lease commitments amounted to approximately HK\$3.5 million and HK\$8.8 million as at 31 March 2015 and 30 September 2015 respectively. As at 30 September 2015, the Group did not have any significant capital commitments (31 March 2015: nil).

### CAPITAL STRUCTURE

Details of changes in the Company's share capital are set out in note 13 to the Interim Financial Information of the Group.

### SIGNIFICANT INVESTMENTS

As at 30 September 2015, the Group did not hold any significant investments.

## MANAGEMENT DISCUSSION AND ANALYSIS

### MATERIAL ACQUISITIONS OR DISPOSALS OF SUBSIDIARIES AND AFFILIATED COMPANIES

On 22 September 2015, the Group completed the Reorganisation, details of which are set out in note 2 to the Interim Financial Information of the Group. Subsequent to the completion of the Reorganisation and up to 30 September 2015, the Group did not have any acquisitions or disposals of subsidiaries and affiliated companies.

### FOREIGN EXCHANGE EXPOSURE

The Group's revenue and major expenses are mainly in US\$, which is the functional currency of the Group. As Hong Kong dollar is pegged to US\$, it is not expected that any significant movement in the US\$/Hong Kong dollar exchange rate. The Group does not undertake any foreign currency hedging currently.

### TREASURY POLICIES

The Group adopts prudent treasury policies. The Group's management performs ongoing credit evaluation of the financial conditions of the customers in order to reduce the Group's exposure of credit risk. Besides, the Board closely monitors the Group's liquidity position to ensure that the liquidity structure of the Group's assets, liabilities and commitments can meet its funding requirements.

### PLEDGE OF ASSETS

As at 30 September 2015, the Group did not pledge any of its assets (31 March 2015: nil) as securities for any facilities granted to the Group.

### EMPLOYEES AND REMUNERATION POLICIES

As at 30 September 2014 and 2015, the Group employed a total of 34 and 33 full-time employees respectively. The Group's employee benefit expenses mainly included salaries, wages, other staff benefits and contributions to retirement schemes. For the six months ended 30 September 2014 and 2015, the Group's total employee benefit expenses (including Directors' emoluments) amounted to approximately HK\$5.7 million and HK\$6.2 million respectively. Remuneration is determined with reference to market terms and the performance, qualification and experience of individual employee. In addition to a basic salary, year-end bonuses would be discretionary offered to those employees with outstanding performance.

### 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.

## MANAGEMENT DISCUSSION AND ANALYSIS

### FUTURE PROSPECTS

The Shares were successfully listed on GEM on 7 October 2015. The Board considers that such public listing status on the Stock Exchange is able to give the Company access to the capital market for corporate finance exercise which assists the Company in the future business development, enhances the Group's corporate profile and recognition and strengthens the Group's competitiveness. The Group always strives to remain flexible and sensitive to the increasing and changing needs of the customers and to create the best tailor-made design and product for them at a competitive price. With the net proceeds from the Placing to, among others, set up new merchandising teams and design team, 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.

### FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

Save as those disclosed in the Prospectus, the Group currently has no other plan for material investments and capital assets.

### USE OF PROCEEDS

The Shares were 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 of the Actual Net Proceeds.

<b>Business strategies as set out in the Prospectus</b>	<b>Adjusted allocation of the Actual Net Proceeds for the Period HK\$ (in million)</b>
Expand the geographical coverage of the Group's customers (Note)	1.8
Expand the geographical base of the Group's third-party manufacturers	0.8
Further develop the Group's design and development capabilities	1.2
Expand the Group's product types to further cater to customers' needs	1.0
General working capital	0.3
<b>Total</b>	<b>5.1</b>

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.

## 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 the Placing was not completed as at 30 September 2015, Divisions 7 and 8 of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "SFO") and section 352 of the SFO were not applicable to the Directors or the chief executive of the Company as at 30 September 2015.

Upon completion of the Placing and as at the date of this report, 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 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:

<b>Name of Director</b>	<b>Capacity/nature of interest</b>	<b>Number of Shares</b>	<b>Percentage of interest in the Company</b>
Mr. Cheung	Interest in controlled corporation (Note)	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, upon completion of the Placing and as at the date of this report, 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.

## OTHER INFORMATION

### 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 the Placing was not completed as at 30 September 2015, Divisions 2 and 3 of Part XV of the SFO were not applicable to the Company as at 30 September 2015.

Upon completion of the Placing and as at the date of this report, 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:

Name	Capacity/nature of interest	Number of Shares	Percentage of interest in the Company
Alpha Direct	Beneficial owner	554,500,000	55.45%
Ms. Ngan Shui Ling Crystal	Interest of spouse (Note 1)	554,500,000	55.45%
Success Time	Beneficial owner	127,500,000	12.75%
Mr. Yip	Interest in controlled corporation (Note 2)	127,500,000	12.75%
Ms. Chang Mei Nai Vinnie	Interest of spouse (Note 2)	127,500,000	12.75%
Wise Manner	Beneficial owner	68,000,000	6.8%
Ms. Mang	Interest in controlled corporation (Note 3)	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 127,500,000 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, upon completion of the Placing and as at the date of this report, 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.



## OTHER INFORMATION

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

The Shares were listed on GEM on 7 October 2015. Purchase, sale or redemption of the Company's listed securities was not applicable for the six months ended 30 September 2015. Nevertheless, details of the dealings, before the Listing, of the Company's shares in connection with the Reorganisation and the Listing are set out in the Prospectus.

### **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.

### **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 Shares were listed on GEM on 7 October 2015. Upon Listing, 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.

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 promptly and 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.

### **DIRECTORS' INTERESTS IN 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 six months ended 30 September 2015.

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

During the six months ended 30 September 2015 and up to the date of this report, 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.

## OTHER INFORMATION

### NON-COMPETITION UNDERTAKING

The Company confirms that the non-competition undertaking of Ms. Mang and Wise Manner, details of which were set out in the Prospectus has been fully complied and enforced during the six months ended 30 September 2015. The Board also confirms that there are no other matters in relation to the aforesaid undertaking which should be brought to the attention of the Shareholders and the potential investors.

### 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. The terms of reference in compliance with paragraph C3.3 of the CG Code have been adopted for the Audit Committee. 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 internal control procedures of the Company.

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 interim report, including the Interim Financial Information.

By order of the Board

**Season Pacific Holdings Limited**

**Cheung Lui**

*Chairman, Chief Executive Officer & Executive Director*

Hong Kong, 11 November 2015

As at the date of this report, 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.