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# La Chapelle

上海拉夏貝爾服飾股份有限公司

**Shanghai La Chapelle Fashion Co., Ltd.**

*(a joint stock company incorporated in the People's Republic of China with limited liability)*

**(Stock code: 06116)**

## **DISCLOSEABLE AND CONNECTED TRANSACTION DISPOSAL OF 54.05% EQUITY INTEREST IN ANSHE E-COMMERCE**

### **THE EQUITY TRANSFER AGREEMENT**

The Board announces that on 7 May 2019 (after trading hours), the Company entered into the Equity Transfer Agreement with the Purchaser and Ms. Cao, pursuant to which the Purchaser conditionally agreed to purchase and the Company conditionally agreed to sell the Target Interest, being 54.05% equity interest in Anshe E-Commerce (a non-wholly owned subsidiary of the Company as at the date of this announcement), representing the entire equity interest held by the Company in Anshe E-Commerce, at the Consideration of RMB200,000,000.

As at the date of this announcement, Anshe E-Commerce is owned by the Company as to 54.05%, Ms. Cao as to 23.86%, Aibo Technology as to 14.32% and Anshe Investment LLP as to 7.77%. Upon Completion, the Company will cease to hold any equity interest in Anshe E-Commerce and Anshe E-Commerce will cease to be a subsidiary of the Company.

### **IMPLICATIONS UNDER THE HONG KONG LISTING RULES**

As one or more of the applicable percentage ratios calculated in accordance with the Hong Kong Listing Rules in respect of the Equity Transfer Agreement and the transactions contemplated thereunder are more than 5% but less than 25%, the Equity Transfer Agreement and the transactions contemplated thereunder constitute a discloseable transaction of the Company under Chapter 14 of the Hong Kong Listing Rules and is therefore subject to the notification and announcement requirements under Chapter 14 of the Hong Kong Listing Rules.

In addition, since the Purchaser is wholly owned by Ms. Cao, who holds 23.86% equity interest in Anshe E-Commerce as at the date of this announcement, the Purchaser is an associate of a substantial shareholder of Anshe E-Commerce and therefore a connected person of the Company at the subsidiary level. Accordingly, the Equity Transfer Agreement and the transactions contemplated thereunder constitute a connected transaction of the Company under Chapter 14A of the Hong Kong Listing Rules. As (i) the Board has approved the Equity Transfer Agreement and the transactions contemplated thereunder; and (ii) the Independent Non-executive Directors have confirmed that the terms of the Equity Transfer Agreement and the transactions contemplated thereunder are fair and reasonable, on normal commercial terms and in the interests of the Company and its Shareholders as a whole, pursuant to Rule 14A.101 of the Hong Kong Listing Rules, the Equity Transfer Agreement and the transactions contemplated thereunder are subject only to the reporting and announcement requirements, and are exempt from the circular, independent financial advice and independent shareholders' approval requirements under Chapter 14A of the Hong Kong Listing Rules.

### **IMPLICATIONS UNDER THE SHANGHAI LISTING RULES**

Pursuant to the Shanghai Listing Rules, the Purchaser is a related party of the Company and any related party transaction with a transaction amount exceeding (i) RMB30 million and (ii) 5% of the net assets of the listed issuer as at the end of the most recent audited financial period should be put forward at a general meeting for shareholders' approval. As the Consideration exceeds both thresholds, notwithstanding the exemption provided under Rule 14A.101 of the Hong Kong Listing Rules, the Disposal is subject to the approval of the Shareholders under the Shanghai Listing Rules.

### **GENERAL**

Pursuant to the relevant requirements of the Articles, an Additional Resolution will be proposed as an ordinary resolution at the AGM for the Shareholders to consider and, if thought fit, to approve the Equity Transfer Agreement and the transactions contemplated thereunder. Parties who are interested in the Equity Transfer Agreement and the transactions contemplated thereunder will be required to abstain from voting at the AGM on the Additional Resolution. As each of the Purchaser, Ms. Cao and their respective associates is not a Shareholder and the Company is not aware of any Shareholder (or his/her/its associate) on whom would be conferred any benefit (whether economic or otherwise) which is not available to the other Shareholders pursuant to the Disposal, to the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no Shareholders has a material interest in the Equity Transfer Agreement and the transactions contemplated thereunder and therefore no Shareholder is required to abstain from voting at the AGM on the Additional Resolutions.

A supplemental notice of the AGM containing the Additional Resolution, together with a revised form of proxy for use at the AGM, are expected to be despatched to the H Shareholders on 10 May 2019.

**As the Disposal is subject to the fulfillment of certain conditions precedent and may or may not proceed, Shareholders and potential investors should exercise caution when dealing in the securities of the Company.**

The Board announces that on 7 May 2019 (after trading hours), the Company entered into the Equity Transfer Agreement with the Purchaser and Ms. Cao, pursuant to which the Purchaser conditionally agreed to purchase and the Company conditionally agreed to sell the Target Interest, being 54.05% equity interest in Anshe E-Commerce (a non-wholly owned subsidiary of the Company as at the date of this announcement), representing the entire equity interest held by the Company in Anshe E-Commerce, at the Consideration of RMB 200,000,000.

As at the date of this announcement, Anshe E-Commerce is owned by the Company as to 54.05%, Ms. Cao as to 23.86%, Aibo Technology as to 14.32% and Anshe Investment LLP as to 7.77%.

## THE EQUITY TRANSFER AGREEMENT

The principal terms of the Equity Transfer Agreement are as follows:

- Date** : 7 May 2019 (after trading hours)
- Parties** : (i) the Company (as the vendor)  
(ii) the Purchaser (as the purchaser)  
(iii) Ms. Cao (as the purchaser's guarantor)  
(iv) Anshe E-Commerce (as the target company)
- Assets to be disposed of** : The Target Interest, being 54.05% equity interest in Anshe E-Commerce.
- For further information relating to Anshe E-Commerce, please refer to the section headed "Information of Anshe E-Commerce" below.
- Consideration and terms of payment** : The Consideration is RMB200,000,000, which shall be payable by the Purchaser to the Company in cash to the designated bank account of the Company, in accordance with the following manner:
- (a) the first payment (the "**First Payment**") in the amount of RMB50,000,000 shall be made by the Purchaser to the Company on the same day as, or on the day following, the entering into of the Equity Transfer Agreement;
  - (b) the second payment (the "**Second Payment**") in the amount of RMB30,000,000 shall be made by the Purchaser to the Company upon Completion and on the date when relevant registration filings of such equity transfer contemplated under the Equity Transfer Agreement are accepted by the relevant administration of industry and commerce of the PRC government;

- (c) the third payment (the “**Third Payment**”) in the amount of RMB30,000,000 shall be made by the Purchaser to the Company before 31 December 2019;
- (d) the fourth payment (the “**Fourth Payment**”) in the amount of RMB30,000,000 shall be made by the Purchaser to the Company before 31 December 2020;
- (e) the fifth payment (the “**Fifth Payment**”) in the amount of RMB30,000,000 shall be made by the Purchaser to the Company before 31 December 2021; and
- (f) the sixth payment (the “**Sixth Payment**”) in the amount of RMB 30,000,000 shall be made by the Purchaser to the Company before 31 December 2022.

No adjustment will be made to the Consideration pursuant to the Equity Transfer Agreement.

**Basis of the  
Consideration**

- : The Consideration was determined after arm’s length negotiations between the Company and the Purchaser taking into account, among other things, (i) the consolidated total net assets of Anshe E-Commerce as at 31 December 2018 (being approximately RMB299,745 thousand) and the net assets value corresponding to 54.05% of such total net assets (being approximately RMB162,012 thousand) and (ii) addition for the cost of the Company’s investment in Anshe E-Commerce which result in the overall valuation of the entire equity interest in Anshe E-Commerce (being approximately RMB370,000 thousand) as agreed between the Company and the Purchaser; (iii) the historical operating and financial performance of Anshe E-Commerce (including but not limited to the decrease in net profits for the year ended 31 December 2018); and (iv) an independent valuation of the Target Interest as at 31 December 2018 (being RMB167,800 thousand) as set out in a valuation report prepared by a professional independent valuer adopting the market approach.

In addition, the terms of payment of the Consideration were determined after arm’s length negotiations between the Company and the Purchaser taking into account, among other things, the financial conditions of the Purchaser and the parties’ good-faith intention to support the long-term and sustainable development of Anshe E-Commerce.

**Security and  
guarantee for  
payment of  
Consideration**

- : Each of the Purchaser, Anshe E-Commerce and Ms. Cao has agreed to provide the following pledges or guarantee to secure the payment of the Consideration and, if applicable, any amount (the “**Other Fees**”) the Company is entitled to in accordance with the Equity Transfer Agreement (including any penalty, compensation and all reasonable expenses incurred by the Company in enforcing its rights under the Equity Transfer Agreement against the Purchaser (if any) such as litigation costs, arbitration costs, preservation fees and legal fees):

- (a) **Equity Pledge:** the Purchaser has agreed to provide a pledge in favour of the Company over the entire Target Interest to be transferred to it pursuant to the Disposal (the “**Equity Pledge**”) and to submit the necessary information for such pledge to be registered with the relevant department of the PRC government (i) within 20 business days after the Company has provided to the Purchaser all necessary documents required from the Company as chargor for the purpose of such registration and the completion of the registration of the equity transfer contemplated under the Equity Transfer Agreement; or (ii) within the minimum time permitted under the relevant PRC laws, whichever is earlier. The registration of the Equity Pledge shall be completed within two months following Completion unless it is delayed for reasons on the part of the administrative authority.

Upon receipt of any of the Third Payment, Fourth Payment, Fifth Payment and Sixth Payment, the Company shall release the Equity Pledge in such corresponding portion and complete all necessary procedures for pledge release pursuant to the Equity Transfer Agreement.

The Purchaser, Anshe E-Commerce and the Company have entered into an equity pledge agreement in respect of the Equity Pledge on 7 May 2019 to reflect such terms.

- (b) **Trademark Pledge:** Anshe E-Commerce has agreed to provide a pledge in favour of the Company over its rights to use certain trademarks legally owned by it (the “**Trademark Pledge**”) and to submit the necessary information for such pledge to be registered with the relevant department of the PRC government within ten business days following Completion.

Anshe E-Commerce and the Company have entered into a trademark pledge agreement in respect of the Trademark Pledge on 7 May 2019 to reflect such terms.

- (c) **Use of dividends:** Before full settlement of the Third Payment, the Fourth Payment, the Fifth Payment and the Sixth Payment, the Purchaser shall use the dividends received by it from Anshe E-Commerce to repay the outstanding Consideration, and the Purchaser shall pay such dividends to the Company’s designated bank account within five business days after its receipt of the dividends.
- (d) **Enforcement of pledges:** If the Purchaser fails to pay any amounts payable under the Equity Transfer Agreement when they fall due, the Purchaser and Anshe E-Commerce have agreed to, upon negotiation with the Company, realise the Target Interest and trademarks under the Equity Pledge and/or the Trademark Pledge (subject to any agreed discount) to settle any such amounts.

- (e) **Guarantee:** Ms. Cao, as the sole shareholder of the Purchaser, has agreed to provide a joint liability guarantee (the “**Guarantee**”) to secure all of the Purchaser’s obligations under the Equity Transfer Agreement. Any change in Ms. Cao’s equity interest in the Purchaser shall be subject to the prior consent of the Company until the Consideration, or any default payment arising from any breach of the Equity Transfer Agreement, have been paid in full.

Ms. Cao, the Purchaser and the Company have entered into a guarantee agreement in respect of the Guarantee on 7 May 2019 to reflect such terms.

**Conditions precedent** : Completion is subject to and conditional upon the fulfilment or waiver (if applicable) of the following conditions precedent:

- (1) the Board and the Shareholders having approved the Disposal;
- (2) the board of directors of Anshe E-Commerce having approved the Disposal; and
- (3) the Purchaser having settled the First Payment.

**Completion** : Completion will take place on the date when the last outstanding condition precedent above is fulfilled or waived (if applicable).

Upon Completion, the Company will cease to hold any equity interest in Anshe E-Commerce and Anshe E-Commerce will cease to be a subsidiary of the Company.

## **REASONS FOR AND BENEFITS OF THE DISPOSAL**

Anshe E-Commerce was previously acting as an agent in conducting e-commerce business for the Company’s womenswear brands. In order to better coordinate both online and offline businesses for the Company’s various brands (such as La Chapelle, Puella, CANDIE’S, 7Modifier and La Babité), share business resources and enhance operational efficiency, thereby achieving long-term and stable development, the Company and Anshe E-Commerce agreed to terminate Anshe E-Commerce’s role as an e-commerce agent of the Company on 3 August 2018. For further details in relation to such termination, please refer to the Company’s announcement dated 5 August 2018 in relation to the termination of certain continuing connected transaction.

In accordance with the Company's development strategy and philosophy, the Company will put greater emphasis on creating synergy between the online and offline businesses while maintaining its focus on the offline business. In addition, the Disposal would help accelerate the transformation and adjustment of the Company's business model, focus its resources and leverage on the competitive advantage of the Company's core brands. In combination with the Company's development strategy, the Company will organize its brand portfolio to achieve strategic focus.

Taking into account the reasons for and benefits of the Disposal as set out above as well as the historical operating and financial performance of Anshe E-Commerce (including but not limited to the decrease in net profits for the year ended 31 December 2018), the Directors (including the Independent Non-executive Directors) are of the view that the terms of the Equity Transfer Agreement and the transactions contemplated thereunder are fair and reasonable and on normal commercial terms and that entering into of the Equity Transfer Agreement is in the interest of the Company and the Shareholders as a whole.

No Director has a material interest in, or is required to abstain from voting on the Board resolution in relation to, the Equity Transfer Agreement and the transactions contemplated thereunder.

## **INFORMATION ON THE COMPANY AND THE PURCHASER**

### ***The Company***

The Company is a joint stock company incorporated in the PRC with limited liability and the shares of the Company have been listed on the Hong Kong Stock Exchange since 9 October 2014. The Company is principally engaged in the design, marketing and sale of apparel products with a focus on mass-market ladies' casualwear in the PRC.

### ***The Purchaser***

The Purchaser is a limited liability company incorporated in the PRC and is currently wholly owned by Ms. Cao, who holds 23.86% equity interest in Anshe E-Commerce as at the date of this announcement. The Purchaser is principally engaged in investment holding/providing corporate planning, marketing and management consulting services.



## INFORMATION ON ANSHE E-COMMERCE

Established in January 2010 under the laws of the PRC, Anshe E-Commerce is an online fashion retailer in the PRC which markets and sells apparel products under various brands, including 七格格, OTHERMIX, and OTHERCRAZY through various subsidiaries. As at the date of this announcement, Anshe E-Commerce holds, directly or indirectly, certain equity interests in the following PRC-incorporated companies:

No.	Company name	Interest held by Anshe E-Commerce (%)
1	Xinyugexia E-Commerce Co., Ltd.* (新余格夏電子商務有限公司)	100
2	Hangzhou Chenge Technology Co., Ltd.* (杭州晨格科技有限公司)	100
3	Zhejiang Qigege Fashion Co., Ltd.* (浙江七格格時裝有限公司)	100
4	Hangzhou Fushe Fashion Co., Ltd.* (杭州複涉服裝有限公司)	100
5	Zhejiang Yanen Supply Chain Management Co., Ltd.* (浙江妍恩供應鏈管理有限公司)	100
6	Jingningyige Commercial Information Consulting Co., Ltd.* (景寧億格商務信息諮詢有限公司)	100
7	Hangzhou Kaihui E-Commerce Co., Ltd.* (杭州凱繪電子商務有限公司)	26

According to the audited consolidated financial statements of Anshe E-Commerce prepared in accordance with China Accounting Standards for Business Enterprises for the year ended 31 December 2018, the net assets and total assets of Anshe E-Commerce as at 31 December 2018 were approximately RMB299,745 thousand and RMB390,339 thousand, respectively.

Further, based on the audited consolidated financial statements of Anshe E-Commerce, the net profit of Anshe E-Commerce for the two years ended 31 December 2017 and 31 December 2018 were as follows:

	For the year ended 31 December	
	2017	2018
	(audited)	(audited)
	(RMB'000)	
	(approximately)	
Net profit before taxation	189,765	84,860
Net profit after taxation	143,008	64,354



The decrease in net profit for the year ended 31 December 2018 is primarily attributable to the termination of Anshe E-Commerce's service in relation to the Group's online business of various brands as disclosed in the Company's announcement dated 5 August 2018.

## **FINANCIAL EFFECT OF THE DISPOSAL**

Anshe E-Commerce will no longer be a subsidiary of the Company upon Completion and the assets and liabilities and financial results of Anshe E-Commerce will no longer be consolidated into the financial statements of the Group.

It is estimated that there will be a gain after taxation of approximately HK\$0.74 million arising from the Disposal based on the Consideration and the net assets value attributable to owners of the Company of approximately HK\$206.58 million as at 31 December 2018, net of estimated taxes and transaction costs of approximately HK\$0.12 million for the Disposal. For the purpose of this indicative calculation only, amounts stated in Renminbi has been converted into Hong Kong dollar amounts at RMB1=HK\$1.1658, being the exchange rate prevailing on 31 March 2019. No representation is made that RMB amounts have been, could have been or could be converted to HK\$, or vice versa, at the applied or at any other rates or at all. The actual gain or loss that the Company can realise will depend on the actual net assets value attributable to owners of the Company on the date of Completion. The actual financial effects from the Disposal will also be computed based on the financial information of Anshe E-Commerce on the date of Completion.

It is expected that Completion would increase the equity attributable to owners of the Company due to the aforesaid estimated gain and the receipt of net proceeds from the Disposal.

The Company intends to use the net proceeds (after deducting relevant costs and expenses in connection with the Disposal) to fund its business and operational development.

## **IMPLICATIONS UNDER THE HONG KONG LISTING RULES**

As one or more of the applicable percentage ratios calculated in accordance with the Hong Kong Listing Rules in respect of the Equity Transfer Agreement and the transactions contemplated thereunder are more than 5% but less than 25%, the Equity Transfer Agreement and the transactions contemplated thereunder constitute a discloseable transaction of the Company under Chapter 14 of the Hong Kong Listing Rules and is therefore subject to the notification and announcement requirements under Chapter 14 of the Hong Kong Listing Rules.

In addition, since the Purchaser is wholly owned by Ms. Cao, who holds 23.86% equity interest in Anshe E-Commerce as at the date of this announcement, the Purchaser is an associate of a substantial shareholder of Anshe E-Commerce and therefore a connected person of the Company at the subsidiary level. Accordingly, the Equity Transfer Agreement and the transactions contemplated thereunder constitute a connected transaction of the Company under Chapter 14A of the Hong Kong Listing Rules. As (i) the Board has approved the Equity Transfer Agreement and the transactions contemplated thereunder; and (ii) the Independent Non-executive Directors have confirmed that the terms of the Equity Transfer Agreement and the transactions contemplated thereunder are fair and reasonable, on normal commercial terms and in the interests of the Company and its Shareholders as a whole,

pursuant to Rule 14A.101 of the Hong Kong Listing Rules, the Equity Transfer Agreement and the transactions contemplated thereunder are subject only to the reporting and announcement requirements, and are exempt from the circular, independent financial advice and independent shareholders' approval requirements under Chapter 14A of the Hong Kong Listing Rules.

## **IMPLICATIONS UNDER THE SHANGHAI LISTING RULES**

Pursuant to the Shanghai Listing Rules, the Purchaser is a related party of the Company and any related party transaction with a transaction amount exceeding (i) RMB30 million and (ii) 5% of the net assets of the listed issuer as at the end of the most recent audited financial period should be put forward at a general meeting for shareholders' approval. As the Consideration exceeds both thresholds, notwithstanding the exemption provided under Rule 14A.101 of the Hong Kong Listing Rules, the Disposal is subject to the approval of the Shareholders under the Shanghai Listing Rules.

## **GENERAL**

Pursuant to the relevant requirements of the Articles, an Additional Resolution will be proposed as an ordinary resolution at the AGM for the Shareholders to consider and, if thought fit, to approve the Equity Transfer Agreement and the transactions contemplated thereunder. Parties who are interested in the Equity Transfer Agreement and the transactions contemplated thereunder will be required to abstain from voting at the AGM on the Additional Resolution. As each of the Purchaser, Ms. Cao and their respective associates is not a Shareholder and the Company is not aware of any Shareholder (or his/her/its associate) on whom would be conferred any benefit (whether economic or otherwise) which is not available to the other Shareholders pursuant to the Disposal, to the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no Shareholders has a material interest in the Equity Transfer Agreement and the transactions contemplated thereunder and therefore no Shareholder is required to abstain from voting at the AGM on the Additional Resolutions.

A supplemental notice of the AGM containing the Additional Resolution, together with a revised form of proxy for use at the AGM, are expected to be despatched to the H Shareholders on 10 May 2019.

**As the Disposal is subject to the fulfillment of certain conditions precedent and may or may not proceed, Shareholders and potential investors should exercise caution when dealing in the securities of the Company.**

## DEFINITIONS

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

“Additional Resolution”	an additional resolution to be proposed as an ordinary resolution at the AGM for the Shareholders to consider and, if thought fit, to approve the Equity Transfer Agreement and the transactions contemplated thereunder
“AGM”	the annual general meeting of the Company to be held on 28 May 2019
“Aibo Technology”	Aibo Technology Company Limited* (愛博科技有限公司), an existing shareholder of Anshe E-Commerce as to 14.32% of its equity interest
“Anshe E-Commerce”	杭州黯涉電子商務有限公司 (Hangzhou Anshe E-Commerce Company Limited*), a limited liability company incorporated in the PRC
“Anshe Investment LLP”	杭州黯涉投資管理合夥企業(有限合夥) (Hangzhou Anshe Investment Management Partnership LLP*), an existing shareholder of Anshe E-Commerce as to 7.77% of its equity interest
“Articles”	the articles of association of the Company
“associate”	has the meaning ascribed to it under the Hong Kong Listing Rules
“Board”	the board of Directors
“Company”	Shanghai La Chapelle Fashion Co., Ltd. (上海拉夏貝爾服飾股份有限公司), a joint stock company established in the PRC with limited liability, whose A shares and H shares are listed on the Shanghai Stock Exchange (stock code: 603157) and the Main Board of the Hong Kong Stock Exchange (stock code: 06116), respectively
“Completion”	the completion of the Disposal pursuant to the terms of the Equity Transfer Agreement
“Condition(s)”	the condition(s) precedent to Completion under the Equity Transfer Agreement
“connected person(s)”	has the meaning ascribed to it under the Hong Kong Listing Rules
“Consideration”	the total consideration of the Disposal payable by the Purchaser to the Company in accordance with the Equity Transfer Agreement
“Director(s)”	the director(s) of the Company

“Disposal”	the disposal of the Target Interest by the Company to the Purchaser pursuant to the terms and conditions of the Equity Transfer Agreement
“Equity Transfer Agreement”	the agreement dated 7 May 2018 entered into between the Company, the Purchaser, Ms. Cao and Anshe E-Commerce in relation to the Disposal
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Independent Non-executive Directors”	the independent non-executive directors of the Company
“Mr. Xing”	Mr. Xing Jiaying (邢加興), the chairman of the Board
“Ms. Cao”	Ms. Cao Qing (曹青), a PRC national who holds 23.86% equity interest in Anshe E-Commerce as at the date of this announcement
“PRC” or “China”	the People’s Republic of China
“Purchaser”	Hangzhou Yaner Enterprise Management Consulting Co., Ltd.* (杭州雁兒企業管理諮詢有限公司), a limited liability company incorporated in the PRC
“related party”	has the meaning ascribed to it under the Shanghai Listing Rules
“RMB”	Renminbi, the lawful currency of the PRC
“Shanghai Listing Rules”	the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange (上海證券交易所股票上市規則)
“Shareholder(s)”	the holder(s) of the share(s) of the Company
“substantial shareholder”	has the meaning ascribed to it under the Hong Kong Listing Rules

“Target Interest”	54.05% equity interest in Anshe E-Commerce, representing the entire equity interest held by the Company in Anshe E-Commerce
“%”	per cent

By order of the Board  
**Shanghai La Chapelle Fashion Co., Ltd.**  
**Mr. Xing Jiaying**  
*Chairman*

Shanghai, the People’s Republic of China  
7 May 2019

*As at the date of this announcement, the executive directors of the Company are Mr. Xing Jiaying, Mr. Yu Qiang and Ms. Hu Lijie; the non-executive directors of the Company are Mr. Lu Weiming, Mr. Luo Bin and Mr. Mao Jianong; the independent non-executive directors of the Company are Dr. Chen Jieping, Mr. Zhang Zeping and Mr. Chan, Wing Yuen Hubert.*

\* *For identification purpose only*