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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)

VOLUNTARY ANNOUNCEMENT
ENTERING INTO A LIMITED PARTNERSHIP AGREEMENT
IN RESPECT OF THE SETTING UP OF
AN INVESTMENT FUND IN THE PRC

On 18 August 2015 (after trading hours), La Chapelle Management (a wholly-owned subsidiary of the Company) entered into the Agreement with Beijing Legend Fellows in relation to (i) the establishment of an investment partnership, Tianjin Xing Kuang Enterprise Management Consulting Partnership (Limited Partnership)* (天津星曠企業管理諮詢合夥企業(有限合夥)) with a total amount of RMB153 million (of which La Chapelle Management will contribute RMB150 million), and (ii) the governance of the relationship between La Chapelle Management and Beijing Legend Fellows in respect of the Partnership.

The Partnership will be registered in the PRC as a limited partnership. The purpose of establishing the Partnership is to invest in red-chip companies that are contemplating a listing in the PRC stock market, cross-border investments projects and other high growth projects. The proposed business scope of the Partnership includes management consulting, project investments, provision of investment management services.

This announcement is made by the Company on a voluntary basis.

INTRODUCTION

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On 18 August 2015 (after trading hours), La Chapelle Management (a wholly-owned subsidiary of the Company) entered into the Agreement with Beijing Legend Fellows in relation to (i) the establishment of an investment partnership, Tianjin Xing Kuang Enterprise Management Consulting Partnership (Limited Partnership)* (天津星曠企業管理諮詢合夥企業(有限合夥)) with

a total amount of RMB153 million (of which La Chapelle Management will contribute RMB150 million); and (ii) the governance of the relationship between La Chapelle Management and Beijing Legend Fellows in respect of the Partnership.

THE AGREEMENT

Set forth below are the key terms of the Agreement:

Date

18 August 2015 (after trading hours)

Parties

General Partner: Beijing Legend Fellows

Limited Partner: La Chapelle Management

Capital Commitment

The total capital commitment of the Partnership shall be RMB153 million. The capital commitment payable by each party and their respective portion of committed capital in the Partnership is as follows:

| | Capital Commitment (RMB) |
|------------------------|---|
| Beijing Legend Fellows | 3,000,000 |
| La Chapelle Management | <u>150,000,000</u> |
| Total | <u>153,000,000</u> |

The relevant capital commitment was determined after arm's length negotiations among the parties to the Agreement with reference to the capital requirements of the Partnership. La Chapelle Management intends to fund its capital commitment to the Partnership from internal resources of the Group.

Timing of Making Capital Commitment

The Partners shall make their capital contribution to the Partnership in cash by installments pursuant to the payment notices to be issued by the General Partner (to be delivered to the Partners at least 10 Business Days prior to the intended date of payment). In principle, the Partners shall each pay 50% of

their respective capital commitment immediately after the Initial Completion Date, with the remaining 50% of their respective capital commitment to be paid after the period of 6 months following the Initial Completion Date.

Term of Partnership

The initial term of the Partnership shall be 5 years from the Initial Completion Date. In the event that the term of the Master Fund is extended, the term of the Partnership shall be extended accordingly.

Purpose the Partnership

The purpose of establishing the Partnership is to invest in red-chip companies that are contemplating a listing in the PRC stock market, cross-border investments projects and other high growth projects. The proposed business scope of the Partnership includes management consulting, project investments and provision of investment and asset management services. The Partnership is a parallel fund of the Master Fund. Unless the General Partner decides otherwise, the Partnership shall, in principle, co-invest with the Master Fund and adopt identical financial terms when implementing and exiting the relevant investments together with the Master Fund.

The Partnership is prohibited from undertaking certain types of investment, including, amongst other things, direct investment in land and real estate projects and any investment that may expose the Partnership to unlimited liability.

Management of the Partnership

The General Partner is the managing partner of the Partnership and has the exclusive and full power to manage, control, operate and make decisions regarding the investment business and other matters of the Partnership. The Partnership will engage Beijing Legend Capital Management Co., Ltd.* (北京君聯資本管理有限公司) (as designated by the General Partner) to provide investment management and administrative services to the Partnership, including undertaking research and providing assistance to the General Partner during the negotiation process before entering into new investment projects.

In consideration for the provision of the investment management and administrative services by Beijing Legend Capital Management Co., Ltd., the Partnership shall pay Beijing Legend Capital Management Co., Ltd. a management fee on a quarterly basis during the term of the Partnership commencing from the Initial Completion Date. The annual management fee shall be calculated in accordance with the following agreed formula:

1. during the Investment Period, 2% of the total capital commitment by the Limited Partner (subject to adjustment); and

2. after the Investment Period, 2% of the actual amount contributed by the Limited Partner which was invested by the Partnership on all investment projects (excluding investments which the Partnership has exited).

The General Partner shall also establish an investment committee, which shall provide opinions to the General Partner in respect of the acquisition and disposal of the investment portfolio.

Distributions

Any cash or non-cash assets of the Partnership available for distribution will be distributed to the General Partner until it has received an amount equal to its capital contribution.

The balance will be further distributed as follows:

1. to the Limited Partner until it has received an amount equal to its capital contribution;
2. 20% of the balance to the General Partner; and
3. the remaining amount to the Limited Partner.

REASONS AND BENEFITS OF ENTERING INTO THE AGREEMENT

The Board considers that the investment under the Partnership and entering into the Agreement with the General Partner will provide the Group with more strategic overseas investment opportunities and the opportunity to explore new emerging business models. Therefore, the Board is of the view that the transaction contemplated under the Agreement can enhance the Company's competitive advantage as a whole.

The Directors (including the independent non-executive Directors) are of the view that the terms of the Agreement and the transactions contemplated thereunder are on normal commercial terms, which are fair and reasonable and in the best interest of the Company and its Shareholders as a whole.

INFORMATION ON THE PARTIES TO THE TRANSACTION

General Partner

Beijing Legend Fellows is a partnership established and registered under the laws of the PRC and managed by Beijing Legend Capital Investment Co., Ltd.. The General Partner is principally engaged in the business of investment consulting. To the best knowledge of the Directors, Beijing Legend Fellows¹ is an independent third party of the Company under the Listing Rules.

Limited Partner

La Chapelle Management is a wholly-owned subsidiary of the Company, whose scope of business includes, amongst other things, enterprise management consulting, investment and investment management consulting and exhibition services.

DEFINITIONS

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

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| “Agreement” | the partnership agreement dated 18 August 2015 entered into between the General Partner and the Limited Partner in relation to the establishment and management of the Partnership |
| “Beijing Legend Fellow” or “General Partner” | Beijing Legend Capital Fellow Investment Consultancy Partnership (limited partnership)* (北京君聯同道投資顧問合夥企業(有限合夥)), a limited partnership established and registered under the laws of the PRC |
| “Board” | the board of Directors of the Company |
| “Business Day” | any day other than a Saturday, Sunday or public holiday in the PRC |
| “Company” | Shanghai La Chapelle Fashion Co., Ltd, a joint stock company incorporated in the PRC, whose H shares are listed on the main board of the Stock Exchange |
| “Director(s)” | director(s) of the Company |
| “Group” | the Company and its subsidiaries |
| “Hong Kong” | the Hong Kong Special Administrative Region of the PRC |

¹ *Beijing Legend Capital Management Co., Ltd. is the general partner of Beijing Legend Fellows. Legend Holdings Corporation (聯想控股股份有限公司) is beneficially interested in no more than 20% of the equity interest in Beijing Legend Capital Management Co., Ltd. Legend Holdings Corporation also has an indirect minority interest in Good Factor Limited, who is our substantial shareholder (as defined under the Listing Rules).*

| | |
|---|---|
| “Initial Completion Date” | 11 August 2015, being the completion date of the Master Fund |
| “Investment Period” | the period commencing from the Initial Completion Date and ending on the second anniversary of the date on which the first payment notice in respect of the capital contribution is issued by the General Partner (subject to early termination or extension if certain conditions are met) |
| “Limited Partner” or “La Chapelle Management” | Shanghai La Chapelle Business Management Co., Ltd* (上海拉夏企業管理有限公司), a company incorporated in the PRC and a wholly-owned subsidiary of the Company |
| “Listing Rules” | the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited |
| “Management and Exit Period” | the period commencing from the date of expiry of the Investment Period and ending on the date when the Partnership is terminated |
| “Master Fund” | Beijing Legend Xinhai Equity Investment Partnership (Limited Partnership)* (北京君聯新海股權投資合夥企業(有限合夥)), a limited partnership established and registered under the laws of the PRC |
| “Partner(s)” | General Partner and/or Limited Partner |
| “Partnership” | Tianjin Xing Kuang Enterprise Management Consulting Partnership (Limited Partnership)* (天津星曠企業管理諮詢合夥企業(有限合夥)), a limited partnership to be established and registered under the laws of the PRC pursuant to the Agreement |
| “PRC” | the People’s Republic of China, and excluding, for the purpose of this announcement, Hong Kong, Macau Special Administrative Region and Taiwan |
| “RMB” | Renminbi, the lawful currency of the PRC |
| “Shareholder(s)” | the shareholder(s) of the Company |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “%” | per cent |

* *for identification purposes only*

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

Shanghai, PRC 18 August 2015

As of the date of this announcement, the executive Directors are Mr. Xing Jiaying, Mr. Wang Yong and Mr. Wang Wenke; the non-executive Directors are Mr. Li Jiaqing, Mr. Lu Weiming, Mr. Cao Wenhai, Ms. Wang Haitong and Mr. Luo Bin; the independent non-executive Directors are Mr. Mao Jianong, Mr. Zhou Guoliang, Mr. Chen Wei and Prof. Japhet Sebastian Law.