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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)

CONTINUING CONNECTED TRANSACTION

Reference is made to the Announcement of the Company dated 21 March 2016 in relation to the Existing Service Agreement entered into between the Company and Anshe E-Commerce on 27 August 2015.

THE NEW SERVICE AGREEMENT

The Board announces that the Company has entered into the New Service Agreement with Anshe E-Commerce on 29 April 2016 (after trading hours). Pursuant to the New Service Agreement, Anshe E-Commerce has agreed to operate various online sales platforms for the sale of the Group's products. The New Service Agreement has a term commencing from 1 May 2016 and ending on 31 December 2016 and is extendable for a further term of two years ending on 31 December 2018, provided that there is no disagreement between the parties and subject to the Company's compliance with the Listing Rules. Upon the singing of New Service Agreement, the Existing Service Agreement has been terminated automatically.

IMPLICATIONS UNDER THE LISTING RULES

Since the Company is interested in 54.05% equity interest of Anshe E-Commerce, Anshe E-Commerce is a non wholly-owned subsidiary of the Company. As Aibo, which is interested in 14.32% equity interest of Anshe E-Commerce, is owned as to 90.5% by LC Fund, which in turn controls Good Factor Limited, a substantial shareholder of the Company, Anshe E-commerce is a connected subsidiary of the Company. As such, the transactions contemplated under the New Service Agreement would constitute a continuing connected transaction of the Company under Rule 14A.31 of the Listing Rules.

As the applicable percentage ratios in respect of the transactions contemplated under the New Service Agreement exceeds 0.1% but is less than 5% under Rule 14A.76 of the Listing Rules, the New Service Agreement is subject to the reporting and announcement requirements but is exempt from the independent shareholder's approval requirement under Chapter 14A of the Listing Rules.

BACKGROUND

Reference is made to the Announcement of the Company dated 21 March 2016 in relation to the Existing Service Agreement entered into between the Company and Anshe E-Commerce on 27 August 2015. Unless otherwise defined, capitalized terms used herein shall have the same meanings as those defined in Announcement.

On 27 August 2015, the Company entered into the Existing Service Agreement with Anshe E-commerce, pursuant to which Anshe E-Commerce agreed to operate various online sales platforms for the sale of the Group's products.

The Board announces that the Company has entered into the New Service Agreement with Anshe E-Commerce on 29 April 2016 (after trading hours), pursuant to which Anshe E-Commerce has agreed to operate various online sales platforms for the sale of the Group's products, which include but not limited to establishment and operation of webstores, marketing and promotion, online customer services and platform resource management. The New Service Agreement has a term commencing from 1 May 2016 and ending on 31 December 2016 and is extendable for a further term of two years ending on 31 December 2018, provided that there is no disagreement between the parties and subject to the Company's compliance with the Listing Rules. Upon the signing of the New Service Agreement, the Existing Service Agreement has been terminated automatically.

TERMS OF THE NEW SERVICE AGREEMENT

Date 29 April 2016 (after trading hours)

Parties the Company and Anshe E-Commerce

Term Commencing from 1 May 2016 and ending on 31 December 2016 and is extendable for a further term of two years ending on 31 December 2018, provided that there is no disagreement between the parties and subject to the Company's compliance with the Listing Rules.

Subject of the New Service Agreement Anshe E-Commerce agrees to provide services to the Group in relation to the sale of products under the Group's brands via various e-commerce platforms, which include but not limited to establishment and operation of webstores, marketing and promoting, customer services and platform resource management.

Contract Fees The Contract Fees payable by the Group under the New Service Agreement shall be calculated using the following formula:

$$A = (50\% \times B + C) \times (1 + t)$$

A: the total amount of Contract Fees payable

B: the profit derived from the Group's sales through e-commerce platforms, which shall be agreed between the Company and Anshe E-Commerce on a monthly basis

C: the actual cost incurred by Anshe E-Commerce for operating the e-commerce platforms in relation to the Group's business (including travelling expenses) t: *the applicable PRC value added tax rate from time to time, expressed in percentage terms*

Payment of Contract Fees shall be made on a quarterly basis.

The Contract Fees have been determined after arm's length negotiations between the Company and Anshe E-Commerce after taking into account (i) the historical financial performance and operational track record of Anshe E-Commerce, (ii) the service fees charged by other comparable service providers in respect of similar e-commerce services rendered in the market, and (iii) the Company's intention to further align Anshe E-Commerce's interest with the actual operation results of the Group's online sales.

THE PROPOSED CAPS

The Proposed Caps for the New Service Agreement as well as the transactions contemplated thereunder, being the total amount payable by the Group to Anshe E-Commerce under the New Service Agreement, are as follows:

(i) RMB150,000,000 for the period commencing from 1 May 2016 and ending 31 December 2016;

(ii) RMB200,000,000 for the period commencing from 1 January 2017 and ending 31 December 2017, if the New Service Agreement is renewed in accordance with the terms therein; and

(iii) RMB200,000,000 for the period commencing from 1 January 2018 and ending 31 December 2018, if the New Service Agreement is renewed in accordance with the terms therein.

The Proposed Caps disclosed herein are not intended, and does not purport, to be an indication of the Group's future performance or profitability and investors should not rely on the Proposed Caps in deciding whether to invest in the shares of the Company.

Basis for the Proposed Caps

In determining the Proposed Caps, the Board took into account the following factors:

(i) the total amount of RMB93,269,824 payable by the Company to Anshe E-Commerce for the year ended 31 December 2015;

(ii) the anticipated profit to be generated through the third party e-commerce platforms herein;

(iii) the diversity and scale of the third party e-commerce platforms herein; and

(iv) the Company's ongoing strategy to strengthen its online sales channels and to improve its online sales capabilities.

THE EXISTING SERVICE AGREEMENT

The Existing Service Agreement has been terminated upon the signing of the New Service Agreement. As set out in the Announcement, the proposed cap for the transactions contemplated under the Existing Service Agreement for the period commencing from 1

January 2016 and ending 31 December 2016 is RMB180,000,000 and accordingly, the proposed cap for the Existing Service Agreement for the year ending 31 December 2016 has not been exceeded.

INFORMATION ON THE COMPANY AND ANSHE E-COMMERCE

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 Stock Exchange since 9 October 2014. The Company is principally engaged in designs, markets and sells apparel products with a focus on mass-market ladies' casualwear in the PRC.

Anshe E-Commerce

Established in September 2009, Anshe E-Commerce is a well-known online fashion retailer in the PRC, which markets and sells apparel products under various brands, including 七格格, OTHERMIX, and OTHERCRAZY. Anshe E-Commerce was named as one of the Top 100 e-Commerce enterprises in the PRC by the China E-commerce Association in 2010 and has attracted well-known venture capital investments.

REASONS AND BENEFITS FOR ENTERING INTO THE NEW SERVICE AGREEMENT

As mentioned in the Announcement, Anshe E-Commerce has a reputable team specializing in online marketing and sales, the members of which have experience in operating online platforms to interact with customers and conduct effective online marketing and advertising. Entering into the New Service Agreement with Anshe E-Commerce is part of the Company's strategy to capitalize on the talents of Anshe E-Commerce to further strengthen the Company's online sales channels and to improve its online sales capabilities. Additionally, by entering into the New Service Agreement, the Company and Anshe E-Commerce are able to further align both parties' interests with the actual operation results of the Group's business through e-commerce platforms.

All Directors (including independent non-executive directors of the Company) consider that the New Service Agreement has been entered into in the usual and ordinary course of businesses of the Group on normal commercial terms, and the New Service Agreement and the Proposed Caps are fair and reasonable and in the interests of the Company and its shareholders as a whole. While none of the directors has any material interest in the New Service Agreement, for good corporate governance purpose, Mr. Li Jiaqing has abstained from voting on the resolutions of the Board rectifying the New Service Agreement. Save as disclosed above, no Director is required to abstain from voting on the resolution of the Board approving the New Service Agreement.

INTERNAL CONTROL

The Company has established an internal control and review committee comprising staff of key departments and intermediaries on 11 April 2016, to conduct strict review on connected transactions. Relevant systems and procedures have been implemented in order to ensure the Company's ongoing compliance with its obligation under Chapter 14A of the Listing Rules.

LISTING RULES IMPLICATIONS

Since the Company is interested in 54.05% equity interest of Anshe E-Commerce, Anshe E-Commerce is a non wholly-owned subsidiary of the Company. As Aibo, which is interested in 14.32% equity interest of Anshe E-Commerce, is owned as to 90.5% by LC Fund, which in turn controls Good Factor Limited, a substantial shareholder of the Company, Anshe E-commerce is a connected subsidiary of the Company. As such, the transactions contemplated under the New Service Agreement would constitute a continuing connected transaction of the Company under Rule 14A.31 of the Listing Rules.

As the applicable percentage ratios in respect of the transactions contemplated under the New Service Agreement exceeds 0.1% but is less than 5% under Rule 14A.76 of the Listing Rules, the New Service Agreement is subject to the reporting and announcement requirements but is exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

DEFINITIONS

In this announcement, the following expressions have the meaning set out below unless the context requires otherwise:

"Announcement"	the announcement of the Company dated 21 March 2016 in relation to the Existing Service Agreement entered into between the Company and Anshe E-Commerce on 27 August 2015
"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 and the H shares of which are listed on the main board of the Stock Exchange (Stock Code: 06116)
"Contract Fees"	the contract fees payable by the Company to Anshe E-Commerce under the New Service Agreement
"Director(s)"	the director(s) of the Company
"Existing Service Agreement"	the agreement entered into between the Company and Anshe E-Commerce on 27 August 2015 in relation to e-commerce service provided by Anshe E-Commerce to the Company
"Group"	the Company and its subsidiaries
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"New Service Agreement"	the agreement entered into between the Company and Anshe E-Commerce on 29 April 2016 in relation to e-commerce services to be provided by Anshe E-Commerce to the Company
"Periods"	the period commencing from 1 May 2016 to 31 December 2016, and is extendable for a further term of two years ending on 31 December 2018, provided that there is no disagreement between the parties and subject to the Company's compliance with the Listing Rules

"Proposed Caps"	the caps for the aggregate fees payable by the Group to Anshe E-Commerce under the New Service Agreement for the Periods
"PRC"	the People's Republic of China and for the purpose of this announcement, it excludes Taiwan, Hong Kong and Macau Special Administrative Region of the PRC
"RMB"	Renminbi, the lawful currency of the PRC
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"%"	per cent.

On behalf of the Board
Shanghai La Chapelle Fashion Co., Ltd.
Mr. Xing Jiaxing
Chairman

Shanghai, the PRC, 29 April 2016

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