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If you are in doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your Shares in Shanghai La Chapelle Fashion Co., Ltd., you should at once hand this circular, together with the accompanying form of proxy and reply slip, to the purchaser or the transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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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)

**2016 WORK REPORT OF INDEPENDENT NON-EXECUTIVE DIRECTORS,
PROFIT DISTRIBUTION PLAN AND DECLARATION
OF FINAL DIVIDENDS FOR THE YEAR 2016,
REPORT ON THE USE OF PROCEEDS FROM THE 2014 OFFERING OF THE GROUP,
REPORT ON THE RELATED PARTY TRANSACTIONS OF THE GROUP
DURING THE PERIOD FROM 1 JANUARY 2014 TO 31 DECEMBER 2016,
RESOLUTION ON APPLICATION TO THE BANK FOR CREDIT FACILITIES
OF SHANGHAI LA CHAPELLE FASHION CO., LTD.,
RESOLUTION ON PROVIDING GUARANTEE FOR THE SUBSIDIARIES
OF SHANGHAI LA CHAPELLE FASHION CO., LTD.,
FINAL ACCOUNTS FOR THE YEAR 2016,
FINANCIAL BUDGET FOR THE YEAR 2017,
PROPOSED RE-ELECTION AND APPOINTMENT OF DIRECTORS OF
THE THIRD SESSION OF THE BOARD,
PROPOSED RE-ELECTION OF CERTAIN SUPERVISORS OF
THE THIRD SESSION OF THE SUPERVISORY COMMITTEE; AND
NOTICE OF 2016 ANNUAL GENERAL MEETING**

A letter from the Board is set out in pages 3 to 12 of this circular.

Please read page 34 to 38 of this circular for the Notice convening the AGM.

Any Shareholder(s) entitled to attend and vote at the AGM are entitled to appoint one or more proxies to attend and vote on his/her behalf. A proxy need not be a Shareholder. In the event that a Shareholder appoints more than one proxy to attend the AGM, such proxies may only exercise their voting rights in a poll. If you intend to appoint proxy(ies) to attend and vote on your behalf at the AGM, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return it as soon as possible and in any event not less than 24 hours before the time appointed for the holding of the AGM (being 2:00 p.m. on 11 May 2017) or not less than 24 hours before the time appointed for the holding of any adjournment or 24 hours before the time appointed for taking the poll to the Company's H Share Registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong (for the holders of H Shares); or to the registered address of the Company in the PRC, at Room 3300, Level 3, Block 1, 270 Cao Xi Road, Xuhui District, Shanghai, PRC (for the holders of Domestic Shares and Unlisted Foreign Shares).

27 March 2017

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DEFINITIONS

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

“2014 Offering”	the global offering conducted by the Company in October 2014
“Annual General Meeting” or “AGM”	the 2016 annual general meeting of the Company to be held at the conference room no. II, 6/F, CHJ Industrial Building, 81 Caodongzhi Road, Xuhui District, Shanghai, the PRC on 12 May 2017 at 2:00 p.m.
“Articles of Association”	the articles of association of the Company, as amended from time to time
“Board”	the board of Directors of the Company
“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 incorporated in the PRC with limited liability, whose H Shares are listed on the Main Board of the Hong Kong Stock Exchange
“Company Law”	the Company Law of PRC
“CSRC”	China Securities Regulatory Commission (中國證券監督管理委員會)
“Director(s)”	the director(s) of the Company
“Domestic Share(s)”	ordinary share(s) issued by the Company in the PRC with a nominal value of RMB1.00 each, which are subscribed for or credited as paid up in RMB by PRC natural persons or entities established under the laws of the PRC
“Group”	the Company and its subsidiaries
“H Share(s)”	overseas-listed foreign share(s) in the share capital of the Company, with a nominal value of RMB1.00 each, which are listed on the Main Board of the Hong Kong Stock Exchange
“H Share Registrar”	Computershare Hong Kong Investor Services Limited
“Hangzhou Anshe”	Hangzhou Anshe E-commerce Company Limited (杭州黯涉電子商務有限公司), a limited liability company incorporated in the PRC
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited

DEFINITIONS

“Latest Practicable Date”	21 March 2017, being the latest practicable date prior to the printing of this circular for ascertaining certain information of this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange
“Nomination Committee”	the nomination committee of the Board
“PRC” or “China”	the People’s Republic of China, and for the purpose of this circular only, excluding Hong Kong, Macau Special Administrative Region and Taiwan
“RMB” or “Renminbi”	Renminbi, the lawful currency of the PRC
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended or supplemented from time to time
“Share(s)”	the Domestic Share(s), Unlisted Foreign Share(s) and the H Share(s) of the Company
“Shareholder(s)”	the shareholder(s) of the Company
“Supervisor(s)”	the supervisor(s) of the Company
“Supervisory Committee”	the supervisory committee of the Company
“Unlisted Foreign Share(s)”	ordinary share(s) in the share capital of the Company with a nominal value of RMB1.00 each, which are subscribed for and paid up in a currency other than RMB by persons other than PRC natural persons or entities established under the laws of the PRC and which are not listed on any stock exchange
“%”	per cent

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)

Executive Directors:

Mr. XING Jiaxing (*Chairman*)
Mr. WANG Yong
Mr. WANG Wenke

Non-executive Directors:

Mr. LI Jiaqing
Mr. LU Weiming
Mr. CAO Wenhai
Ms. WANG Haitong
Mr. LUO Bin

Independent non-executive Directors:

Mr. MAO Jianong
Dr. CHEN Jieping
Mr. CHEN Wei
Mr. CHAN, Wing Yuen Hubert

Registered office:

Room 3300, Level 3, Block 1,
270 Cao Xi Road,
Xuhui District,
Shanghai,
PRC

*Principal place of business
in Hong Kong:*

18/F, Tesbury Centre,
28 Queen's Road East,
Wanchai,
Hong Kong

27 March 2017

To the Shareholders

Dear Sir or Madam,

**2016 WORK REPORT OF INDEPENDENT NON-EXECUTIVE DIRECTORS,
PROFIT DISTRIBUTION PLAN AND DECLARATION
OF FINAL DIVIDENDS FOR THE YEAR 2016,
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NOTICE OF 2016 ANNUAL GENERAL MEETING**

LETTER FROM THE BOARD

I. INTRODUCTION

The purpose of this circular is to provide the Shareholders with information on, among other things, considering and approving/confirming (a) the 2016 work report of independent non-executive Directors; (b) the profit distribution plan and declaration of final dividends for the year 2016; (c) report on the use of proceeds from the 2014 Offering of the Group; (d) report on the related party transactions of the Group during the period from 1 January 2014 to 31 December 2016; (e) the resolution on application to the bank for credit facilities of Shanghai La Chapelle Fashion Co., Ltd.; (f) the resolution on providing guarantee for the subsidiaries of Shanghai La Chapelle Fashion Co., Ltd.; (g) final accounts for the year 2016; (h) financial budget for the year 2017; (i) the re-election and appointment of the Directors of the third session of the Board; (j) the re-election of certain Supervisors of the third session of the Supervisory Committee and details of the determination of the remuneration of the Directors and Supervisors; and (k) other matters contained in the notice of AGM, so that the Shareholders may make an informed decision on voting in respect of the resolutions to be tabled at the AGM.

II. 2016 WORK REPORT OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The 2016 work report of independent non-executive Directors of the Company is set out in Appendix I to this circular.

III. PROFIT DISTRIBUTION PLAN AND DECLARATION OF FINAL DIVIDENDS FOR THE YEAR 2016

According to the annual results announcement of the Company for the year ended 31 December 2016 dated 16 March 2017, the Board proposed the payment of a final dividend of RMB0.3 (tax inclusive) per Share for the year ended 31 December 2016 (“**2016 Final Dividend**”) to the Shareholders whose names appear on the register of members of the Company on 23 May 2017. For distribution of 2016 Final Dividend, dividends on Domestic Shares and Unlisted Foreign Shares will be paid in Renminbi and dividends on H Shares will be paid in Hong Kong dollars (at the average exchange rate of the medium rate of converting Renminbi into Hong Kong dollars as quoted by the People’s Bank of China for 5 business days immediately prior to the date of AGM). The proposed payment of 2016 Final Dividend is subject to the approval by the Shareholders at the AGM.

Pursuant to the Corporate Income Tax Law of the PRC and its implementation rules and other relevant rules, where the Company distributes the 2016 Final Dividend to non-resident corporate Shareholders whose names appear on the register of members for H Shares, it is required to withhold and pay corporate income tax on their behalf. The applicable tax rate is generally 10% and can be reduced to 5%, depending on the tax treaties between the PRC and those countries or regions where the non-resident companies reside if certain criteria are met. Any H Shares registered in the name of non-individual registered Shareholders, including HKSCC Nominees Limited, other nominees or trustees, or other organisations or bodies, will be treated as Shares being held by non-resident corporate Shareholders, and consequently will be subject to the withholding of the corporate income tax.

LETTER FROM THE BOARD

Pursuant to the PRC Individual Income Tax Law, the Implementation Regulations of the Individual Income Tax Law, the Tentative Measures on Withholding and Payment of Individual Income Tax and other relevant laws and regulations, the foreign individuals who are the holders of H shares shall pay individual income tax at a tax rate of 20% upon their receipt of distribution of dividend from domestic enterprises which issued such H shares, which shall be withheld and paid by such domestic enterprises on behalf of such individual holders of H Shares. Shareholders are recommended to consult their taxation advisors for advice on the PRC, Hong Kong and other tax effects with respect to the holding and disposing of H Shares. Dividends and other payments payable by the Company to Shareholders of Unlisted Foreign Shares and H Shares shall follow the relevant requirements on foreign exchange stipulated by the PRC.

For closure of register of members to determine those who are entitled to receive the 2016 Final Dividend, please refer to page 11 of this circular.

IV. REPORT ON THE USE OF PROCEEDS FROM THE 2014 OFFERING OF THE GROUP

Reference is made to the circular to the 2015 annual general meeting, the 2016 first class meeting for the holders of H Shares and the 2016 first class meeting for the holders of Domestic Shares and Unlisted Foreign Shares of the Company dated 12 March 2016. The details of the Company's use of proceeds from the 2014 Offering as of 31 December 2015 were set out in such circular. To keep the Shareholders abreast of latest development, the report on the Company's use of proceeds from the 2014 Offering as of 31 December 2016 is set out in Appendix II of this circular.

V. REPORT ON THE RELATED PARTY TRANSACTIONS OF THE GROUP DURING THE PERIOD FROM 1 JANUARY 2014 TO 31 DECEMBER 2016

Details of the related party transactions of the Group during the period from 1 January 2014 to 31 December 2016 are set out in Appendix III of this circular.

VI. RESOLUTION ON APPLICATION TO THE BANK FOR CREDIT FACILITIES OF SHANGHAI LA CHAPELLE FASHION CO., LTD.

To meet the Company's capital needs for normal operation, project construction and investments and mergers and acquisitions for the year 2017, the Company intends to enter into an integrated credit facility agreement with financial institutions such as the banks to operate liquidity loan, project loan and trade financing businesses within the range the credit facilities. Based on the estimates of the Company's business turnover and capital needs for project construction (such as the Wujing project), the Board has approved the credit facilities of RMB3.5 billion for the year 2017.

The aforesaid aggregate amount of the credit facilities does not represent the Company's actual financing amount. The Company's management may extend the range of the banks providing credit facilities and adjust the credit facilities among the banks depending on the operation. In arranging the Company's annual integrated credit facility plan, we actively seek credit facility resources from financial institutions such as the banks

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based on principles of putting in our best efforts and being appropriate and lenient, but we will take into account the basis of a long-term and stable partnership and operate based on conditions that meet the Company's needs and are in the Company's best interest when specifically using the credit facility resources (the specific amount of which will be the Company's actual financing amount incurred with the banks).

The aforesaid matters regarding the integrated banking credit facility are conditional upon the consideration and approval at the AGM. The period of authorization commences from the date of approval at the AGM to the date of the annual general meeting for the year 2017 of the Company, during which the credit facilities may be reused. Meanwhile, a proposal is submitted to the AGM to authorize the legal representatives of the Company or the authorized agents appointed by the legal representatives with full power to enter into all legal documents such as contracts and agreements in relation to the credit (including but not limited to credit and facilities) within the aforesaid credit facilities on behalf of the Company.

VII. RESOLUTION ON PROVIDING GUARANTEE FOR THE SUBSIDIARIES OF SHANGHAI LA CHAPELLE FASHION CO., LTD.

The Company intends to provide guarantee (by way of, including but not limited to, joint responsibility guarantee and mortgage guarantee) for the subsidiaries' application to financial institutions such as commercial banks for an integrated credit facility during the period commencing from the date of approval of this resolution at the AGM to the date of the annual general meeting for the year 2017 of the Company. The aggregate amount of guarantee shall not exceed RMB1 billion (the specific amount of which is to be determined by the actual guarantee agreement executed).

The aforesaid subsidiaries are limited to the ones 100% held by the Company, which include: Shanghai Weile Fashion Co., Ltd. (上海微樂服飾有限公司), Shanghai Langhe Fashion Co., Ltd. (上海朗赫服飾有限公司), Shanghai Xiawei Fashion Co., Ltd. (上海夏微服飾有限公司), Shanghai Youshi Fashion Co., Ltd. (上海優飾服飾有限公司), Nuoxing (Shanghai) Fashion Co., Ltd. (諾杏(上海)服飾有限公司), Shanghai La Chapelle Casual Fashion Co., Ltd. (上海拉夏貝爾休閒服飾有限公司), La Chapelle Fashion (Taicang) Co., Ltd. (拉夏貝爾服飾(太倉)有限公司), La Chapelle (Tianjin) Co., Ltd. (拉夏貝爾服飾(天津)有限公司), Chengdu Lewei Fashion Co., Ltd. (成都樂微服飾有限公司), Shanghai La Chapelle Business Management Co., Ltd. (上海拉夏企業管理有限公司), LaCha Fashion I Limited.

In view of the group-level operation and centralized financial management adopted by the Company, the provision of the guarantee by the parent company La Chapelle for its wholly-owned subsidiaries will not increase the overall risks of the Company and will facilitate fund-raising of the wholly-owned subsidiaries to better meet their needs for business expansion.

Meanwhile, the Board proposes to the AGM to authorize the legal representatives of the Company or the authorized agents appointed by the legal representatives to handle the relevant procedures and enter into the relevant legal documents within the aforesaid credit facilities on behalf of the Company.

LETTER FROM THE BOARD

VIII. FINAL ACCOUNTS FOR THE YEAR 2016

Please refer to the financial statements in the annual report of the Company for 2016 to be published in due course for details of the final accounts for the year ended 31 December 2016.

IX. FINANCIAL BUDGET FOR THE YEAR 2017

The sales and marketing costs of the Group for the year ending 31 December 2017 are expected to be controlled at approximately 56% of the revenue of the Group for the same period.

The budget disclosed in this circular neither intends to nor aims to constitute any indicator of the Company's future performance and profitability. Investor should not rely on such budget for deciding whether or not to invest in the Shares of the Company.

X. PROPOSED RE-ELECTION AND APPOINTMENT OF DIRECTORS OF THE THIRD SESSION OF THE BOARD

Reference is made to the announcement of the Company dated 16 March 2017.

According to the Articles of Association, the term of office of the second session of the Board will expire on 8 May 2017. In accordance with the relevant requirements of the Articles of Association, the Company Law and the Listing Rules, the Board proposed that the third session of the Board shall consist of twelve Directors, and also proposed that it shall include three executive Directors, five non-executive Directors and four independent non-executive Directors.

Upon consideration of the opinion from the Nomination Committee, the Board proposed the re-election of Mr. Xing Jiaying, Mr. Wang Yong and Mr. Wang Wenke as executive Directors of the third session of the Board, the re-election of Mr. Li Jiaqing, Mr. Lu Weiming, Mr. Cao Wenhai, Ms. Wang Haitong and Mr. Luo Bin as non-executive Directors of the third session of the Board, and the re-election of Dr. Chen Jieping and Mr. Chan, Wing Yuen Hubert as independent non-executive Directors of the third session of the Board. The Board also proposed the appointment of Mr. Zhang Zeping and Mr. Zhang Yi as independent non-executive Directors of the third session of the Board. The Nomination Committee has reviewed the proposed composition of the members of the third session of the Board and was of the view that the proposed composition of the Board is in compliance with the requirements of the Articles of Association, the applicable laws, regulations and the Listing Rules and the needs of the Company.

According to the Articles of Association, the proposed re-election and appointment of Directors are subject to the approval by the Shareholders at a general meeting. The relevant proposals will be put forward to the AGM for the Shareholders' consideration and approval. The term of office of the third session of the Board will be three years, commencing from the conclusion of the AGM.

LETTER FROM THE BOARD

Pursuant to the relevant provisions of the Company Law and the Articles of Association, all Directors of the second session of the Board shall continue to perform their duties as Directors in accordance with applicable laws and regulations until the re-election and appointment of the members of the third session of the Board become effective upon conclusion of the AGM. Mr. Mao Jianong and Mr. Chen Wei, both being independent non-executive Directors of the second session of the Board, has notified the Board that as they have served as independent non-executive Directors of the Company consecutively for six years, they will retire from their office as independent non-executive Directors after the election of the members of the third session of the Board becomes effective in accordance with the Articles of Association. Mr. Mao Jianong and Mr. Chen Wei have confirmed that there is no disagreement between them and the Board and there is no other matter in relation to their retirement that needs to be brought to the attention of the Shareholders or the Hong Kong Stock Exchange.

The Company will enter into a service contract with each of the proposed Directors of the third session of the Board after their re-election and appointment are approved at the AGM. Upon the authorisation of the Shareholders at the AGM, the remuneration of each of the Directors of the third session of the Board will be determined by the Board with reference to their respective experience, duties and responsibilities, and the prevailing market conditions, for undertaking their role as Directors, and in accordance with the applicable laws, regulations and regulatory provisions as well as relevant remuneration policies of the Company.

The elections or re-elections of each of the above candidates for Directors will be proposed to the Shareholders for a poll at the AGM respectively. Biographical details of the candidates for election or re-election as members of the third session of the Board are set out in Appendix IV to this circular.

The Board is of the view that Dr. Chen Jieping, Mr. Chan, Wing Yuen Hubert, Mr. Zhang Zeping and Mr. Zhang Yi are independent and capable of performing their respective duties as independent non-executive Directors of the Company based on the following reasons:

- (a) Each of them is able to confirm his independence with the Hong Kong Stock Exchange pursuant to the factors set out in Rule 3.13 of the Listing Rules;
- (b) None of them is an executive or a Director (other than an independent non-executive Director) of the Company, its holding company or of any of their respective subsidiaries or of any core connected persons of the Company within two years immediately prior to the date of his proposed re-election or appointment by the Board as independent non-executive Director of the third session of the Board of the Company (being 16 March 2017);
- (c) None of them is connected with a Director, the chief executive or a substantial shareholder of the Company within two years immediately prior to the date of his proposed re-election or appointment by the Board as independent non-executive Director of the third session of the Board of the Company (being 16 March 2017); and

LETTER FROM THE BOARD

- (d) The Board, after due and careful consideration, considers each of them suitable for performing their respective duties as independent non-executive Directors.

Accordingly, the Board believes that the valuable knowledge and experience of Dr. Chen Jieping, Mr. Chan, Wing Yuen Hubert, Mr. Zhang Zeping and Mr. Zhang Yi will make contributions to the Board.

XI. PROPOSED RE-ELECTION OF CERTAIN SUPERVISORS OF THE THIRD SESSION OF THE SUPERVISORY COMMITTEE

Reference is made to the announcement of the Company dated 16 March 2017.

According to the Articles of Association, the term of office of the second session of the Supervisory Committee will expire on 8 May 2017.

In accordance with the relevant requirements of the Articles of Association, the Supervisory Committee proposed that the third session of the Supervisory Committee shall consist of five Supervisors, including one shareholder representative Supervisor, two employee representative Supervisors and two independent Supervisors. According to the Articles of Association, the proposed re-election of shareholder representative Supervisor and the independent Supervisors are subject to the approval by the Shareholders at a general meeting, and the employee representative Supervisors have been elected at the employee representative meeting.

Mr. Cheng Fangping and Mr. Wu Jinying, the employee representative Supervisors of the second session of Supervisory Committee, have been re-elected as the employee representative Supervisors of the third session of the Supervisory Committee at the employee representative meeting held by the Company on 10 March 2017. They will, together with the Supervisors elected at the AGM, constitute the third session of the Supervisory Committee, with a term of office ending on the expiry of the term of the third session of the Supervisory Committee.

The Supervisory Committee proposed the re-election of Ms. Yang Lin as the shareholder representative Supervisor of the third session of the Supervisory Committee, and the re-election of Mr. Zhang Xueqing and Mr. Zhang Tao as independent Supervisors of the third session of the Supervisory Committee. The relevant proposals will be put forward to the AGM for the Shareholders' consideration and approval. If approved by the Shareholders at the AGM, the term of office of the shareholder representative Supervisor and the independent Supervisors of the third session of the Supervisory Committee will be three years commencing from the conclusion of the AGM.

Pursuant to the relevant provisions of the Company Law and the Articles of Association, all Supervisors of the second session of the Supervisory Committee shall continue to perform their duties as Supervisors in accordance with applicable laws and regulations until the election of the members of the third session of the Supervisory Committee becomes effective.

LETTER FROM THE BOARD

After the re-election and appointment of Ms. Yang Lin, Mr. Zhang Xueqing and Mr. Zhang Tao as Supervisors of the third session of the Supervisory Committee are approved at the AGM, the Company will enter into a service contract with each of the proposed Supervisors (excluding the employee representative Supervisors). Upon the authorisation of the Shareholders at the AGM, the remuneration of each of the Supervisors of the third session of the Supervisory Committee (excluding the employee representative Supervisors) will be determined by the Board with reference to their respective experience, duties and responsibilities, and the prevailing market conditions, for undertaking their role as Supervisors, and in accordance with the applicable laws, regulations and regulatory provisions as well as relevant remuneration policies of the Company.

The re-elections of each of the above candidates for Supervisors (excluding the employee representative Supervisors) will be proposed to the Shareholders for a poll at the AGM respectively. Biographical details of the candidates for re-election as members of the third session of the Supervisory Committee (excluding the employee representative Supervisors) are set out in Appendix V to this circular.

XII. ANNUAL GENERAL MEETING

The AGM will be held at 2:00 p.m. on 12 May 2017 at the conference room no. II, 6/F, CHJ Industrial Building, 81 Caodongzhi Road, Xuhui District, Shanghai, the PRC for the purpose of considering and, if thought fit, passing (among others) the above resolutions. The notice of the AGM are set out on pages 34 to 38 of this circular.

The reply slip applicable for the AGM are attached with this circular for the purpose of informing the Company whether you will be attending (in person or by proxy) the AGM. If you are entitled to attend the meeting, please complete and sign the reply slip in accordance with the instructions printed thereon and return it to the Company's H Share Registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, (for the holder(s) of H Shares); or to the registered address of the Company in the PRC at Room 3300, Level 3, Block 1, 270 Cao Xi Road, Xuhui District, Shanghai, PRC (for holder(s) of Domestic Shares and Unlisted Foreign Shares) on or before 4:30 p.m. on 21 April 2017.

The form of proxy applicable for the AGM is also attached with this circular. Any Shareholder entitled to attend and vote at the AGM may appoint one or more proxies to attend and vote at the meeting on his/her behalf. A proxy need not be a Shareholder. In the event that a Shareholder appoints more than one proxy to attend the AGM, such proxies may only exercise their voting rights on a poll. If you intend to appoint any proxy to attend the AGM and vote on your behalf at the meeting, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return them as soon as possible and in any event not less than 24 hours before the time appointed for the holding of the AGM (being 2:00 p.m. on 12 May 2017) or not less than 24 hours before the time appointed for the holding of any adjournment or 24 hours before the time appointed for taking the poll to the Company's H Share Registrar in Hong Kong, Computershare Hong Kong Investor Services Limited (for the holders of H Shares), at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong; or to the registered

LETTER FROM THE BOARD

address of the Company in the PRC (for the holders of Domestic Shares and Unlisted Foreign Shares), at Room 3300, Level 3, Block 1, 270 Cao Xi Road, Xuhui District, Shanghai, PRC.

XIII. CLOSURE OF REGISTER OF MEMBERS

In order to determine the Shareholders who are entitled to attend the AGM, the register of members of the Company will be closed from 12 April 2017 to 11 May 2017 (both days inclusive), during which period no transfer of Shares can be registered. In order to be qualified to attend and vote at the AGM, all transfer documents accompanied by the relevant share certificate(s) must be lodged with the Company's H Shares Registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong (for holder(s) of H Shares), or the registered office of the Company in the PRC at Room 3300, Level 3, Block 1, 270 Cao Xi Road, Xuhui District, Shanghai, PRC (for holder(s) of Domestic Shares and Unlisted Foreign Shares) for registration not later than 4:30 p.m. on 11 April 2017.

Shareholders whose names appear on the register of members of the Company at the close of business on 11 April 2017 are entitled to attend and vote at the AGM.

In order to determine the Shareholders who are entitled to receive the 2016 Final Dividend, the register of members of the Company will be closed from 18 May 2017 to 23 May 2017 (both days inclusive), during which period no transfer of Shares can be registered. In order to be qualified to receive the 2016 Final Dividend, all transfer documents accompanied by the relevant share certificate(s) must be lodged with the Company's H Shares Registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong (for holder(s) of H Shares), or the registered office of the Company in the PRC at Room 3300, Level 3, Block 1, 270 Cao Xi Road, Xuhui District, Shanghai, PRC (for holder(s) of Domestic Shares and Unlisted Foreign Shares) for registration not later than 4:30 p.m. on 17 May 2017.

Shareholders whose names appear on the register of members of the Company at the close of business on 23 May 2017 are entitled to receive the 2016 Final Dividend. The proposed 2016 Final Dividend is expected to be paid on or before 30 June 2017, upon the approval at the AGM.

XIV. VOTING BY WAY OF POLL

In accordance with the requirements of Rule 13.39(4) of the Listing Rules, any vote of shareholders at a general meeting shall be taken by poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. As such, pursuant to Article 83 of the Articles of Association, the chairman of the AGM will demand a poll for the purpose of voting on all the resolutions set out in the notice of AGM.

LETTER FROM THE BOARD

On a poll conducted at such meetings, Shareholders (including proxies) entitled to two or more votes are not required to cast all their votes for or against a resolution or to abstain from voting on a resolution by not casting any of their votes.

No Shareholders are required to abstain from voting on the resolutions to be proposed at the AGM.

Voting results will be uploaded onto the website of the Company (www.lachapelle.cn) and the website of Hong Kong Exchanges and Clearing Limited (www.hkexnews.hk) after the AGM.

XV. RESPONSIBILITY STATEMENT

The information contained in this circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the 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 circular is accurate and complete in all material respects and not misleading or deceptive, and there is no other matter the omission of which would make this circular or any statement herein misleading.

XVI. RECOMMENDATIONS

The Board (including the independent non-executive Directors) considers that the resolutions to be proposed at the AGM are in the interests of the Company and the Shareholders as a whole and accordingly recommend that the Shareholders vote in favor of all of the resolutions to be proposed at the AGM.

XVII. ADDITIONAL INFORMATION

Your attention is drawn to other information set out in the Appendices of this circular.

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

The English version of this appendix is an unofficial translation of the Chinese version. In case of any discrepancy between the two versions, the Chinese version shall prevail.

Acting as the independent non-executive Directors of Shanghai La Chapelle Fashion Co., Ltd. (hereinafter referred to as the “**Company**”), we play active roles as independent non-executive Directors to perform our duties faithfully and diligently to safeguard the interests of the Company and its Shareholders, particularly the legal interests of minority Shareholders, in accordance with laws and regulations such as the “Company Law”, “Administration Standards Governing Listed Companies” and “Guidelines on the Establishment of Independent Directorship of Listed Companies”, and the requirements of “The Independent Directors System” of the Company in 2016.

Performance of duties of the independent non-executive Directors in 2016 is reported as follows:

1. General information of the independent non-executive Directors

The second session of the Board of the Company comprises of 12 Directors, of which four are independent non-executive Directors, representing one-third of the number of members of the Board. The Board has established five committees, namely the audit committee, Nomination Committee, remuneration and appraisal committee, budget committee and strategy and development committee. The office of each chairman of audit committee, nomination committee and remuneration and appraisal committee is held by an independent non-executive Director in strict compliance with the relevant regulatory requirements.

(1) General information of the independent non-executive Directors during the reporting period

Mr. Mao Jianong (毛嘉農), aged 53, is chairman of our Nomination Committee, a member of our audit committee and strategy and development committee, and an independent non-executive Director, a position which he has held since 9 May 2011. Mr. Mao Jianong is currently an independent non-executive director of China Hainan Natural Rubber Industry Group Co., Ltd. (海南天然橡膠產業集團股份有限公司) (a company listed on the Shanghai Stock Exchange). In addition, Mr. Mao Jianong was an executive director of SinoChem International Corporation from November 2007 to December 2010, a non-executive director of Nantong Jiangshan Agrochemical and Chemicals Co., Ltd. from January 2008 to December 2009, a non-executive director of China Hainan Rubber Industry Group Co., Ltd. from October 2008 to June 2011, and an independent non-executive director of Yonghui Superstores Co., Ltd. from August 2009 to September 2015, all of which are companies listed on the Shanghai Stock Exchange. He was also the Deputy General Manager of Harbin Gloria Pharmaceuticals Co., Ltd. (哈爾濱譽衡藥業股份有限公司) (a company listed on Shenzhen Stock Exchange) for the period from January 2015 to December 2016. Mr. Mao Jianong obtained a Bachelor’s degree in Medicine from the Second Military Medical University in July 1984, a Master of Management Science and

Engineering degree from the Dalian University of Technology in April 2002 and an Executive Master of Business Administration degree from the China Europe International Business School in October 2011.

Mr. Zhou Guoliang (周國良), aged 43, was an independent non-executive Director, and the chairman of our audit committee and a member of our remuneration and appraisal committee and budget committee from 23 May 2013 to 29 April 2016.

Dr. Chen Jieping (陳杰平), aged 63, is the chairman of our audit committee, a member of our remuneration and appraisal committee and budget committee and an independent non-executive Director, a position which he has held since 29 April 2016. Dr. Chen Jieping held positions of Assistant Professor, Associate Professor, the vice head and head of the Department of Accountancy of the City University of Hong Kong from 1991 to 2008. He has been a professor at the China Europe International Business School since 2008, and has been the Associate Dean and Director of the EMBA programme at the same from 2009 to 2016. He has been an independent non-executive director of Industrial Securities Co., Ltd. (a company listed on the Shanghai Stock Exchange) since 2011, an independent non-executive director of Shenzhen Worldunion Properties Consultancy Incorporated (a company listed on the Shenzhen Stock Exchange) since 2013, an independent non-executive director of iOne Holdings Limited (a company listed on the Hong Kong Stock Exchange) since 2014 and an independent non-executive director of Jinmao (China) Investments Manager Limited and Jinmao (China) Hotel Investments and Management Limited (a company listed on the Hong Kong Stock Exchange) since 2014. Dr. Chen Jieping received a bachelor's degree in science and a master's degree in hospitality management, respectively, from the University of Houston in August 1990. He obtained a master's degree in business administration from the University of Houston in May 1992 and a doctoral degree in business administration from the University of Houston in August 1995.

Mr. Chen Wei (陳巍), aged 40, is the chairman of our remuneration and appraisal committee, a member of our Nomination Committee and strategy and development committee and an independent non-executive Director, a position which he has held since 9 May 2011. Mr. Chen Wei obtained a Bachelor's degree in International Business Law from East China University of Political Science and Law in July 1998, a Bachelor's degree in Information Management (self-learning) from Fudan University in April 2002 and an Executive Master in Business Administration degree from China Europe International Business School in October 2011. Mr. Chen Wei is currently a partner of Llinks Law Offices (通力律師事務所).

Professor Japhet Sebastian Law (羅文鈺), aged 65, was an independent non-executive Director and a member of our Nomination Committee and audit committee from 11 August 2013 to 25 July 2016.

Mr. Chan, Wing Yuen Hubert, aged 59, is a member of our audit committee and Nomination Committee and an independent non-executive Director, a position which he has held since 25 July 2016. Mr. Chan, Wing Yuen Hubert currently holds positions such as the chief executive officer and an executive director of Zong Fa Zhan Holdings Limited, the chief executive officer and an executive director of Northern New Energy Holdings Limited. Mr. Chan, Wing Yuen Hubert spent over ten years with the Hong Kong Stock Exchange. Mr. Chan, Wing Yuen Hubert also held various positions with companies listed in Hong Kong, including: as an executive director of China Pipe Group Limited (中國管業集團有限公司) (now known as “Softpower International Limited” (冠力國際有限公司)) (stock code: 380) and Interchina Holdings Company Limited (國中控股有限公司) (now known as “EverChina Int’l Holdings Company Limited” (潤中國國際控股有限公司)) (stock code: 202), as an independent non-executive director of Rising Development Holdings Limited (麗盛集團控股有限公司) (now known as “China Smarter Energy Group Holdings Limited” (中國智慧能源集團控股有限公司)) (stock code: 1004), and as a director of Guangdong Investment Limited (粵海投資有限公司) (stock code: 270). Mr. Chan, Wing Yuen Hubert has been the chief executive officer and an executive director of Zhong Fa Zhan Holdings Limited (中發展控股有限公司) (whose shares are listed on the Main Board of the Hong Kong Stock Exchange, stock code: 475) since November 2011, the chief executive officer and an executive director of Northern New Energy Holdings Limited (北方新能源控股有限公司) (whose shares are listed on the Growth Enterprise Market of the Hong Kong Stock Exchange, stock code: 8246) since August 2014 and an independent non-executive director of Tian Ge Interactive Holdings Limited (天鵲互動控股有限公司) (whose shares are listed on the Main Board of the Hong Kong Stock Exchange, stock code: 1980) since June 2014. Mr. Chan, Wing Yuen Hubert obtained a higher diploma in company secretaryship and administration from Hong Kong Polytechnic (now known as The Hong Kong Polytechnic University). Mr. Chan, Wing Yuen Hubert has been an associate member of both The Institute of Chartered Secretaries and Administrators and The Hong Kong Institute of Chartered Secretaries and a member of the Hong Kong Securities and Investments Institute. In addition, he has been a member of the Chinese People’s Political Consultative Conference — Heilongjiang Province Committee (中國人民政治協商會議黑龍江省委員會).

(2) Directors' Attendance at Board Meetings and General Meetings of the Company

In 2016, the Company held nine Board meetings and seven general meetings (including one annual general meeting, two extraordinary general meetings, two class meetings for the holders of Domestic Shares and Unlisted Foreign Shares and two class meetings for the holders of H Shares). Our attendance at board meetings and general meetings are set out below:

Name of independent non-executive Director	Board meeting	general meeting
Mr. Mao Jianong	9/9	7/7
Mr. Zhou Guoliang	4/4	3/3
Dr. Chen Jieping	4/5	4/4
Mr. Chen Wei	7/9	4/7
Professor Japhet Sebastian Law	5/5	3/3
Mr. Chan, Wing Yuen Hubert	4/4	4/4

Notes:

- (1) Number of meetings attendance includes the onsite meeting and attending the meeting by way of telephone conference.
- (2) During the reporting period, the Directors of the Company who were unable to attend Board meetings have authorized other Directors to attend meetings and exercise the voting rights on behalf of them.

We have discreetly reviewed the relevant meeting documents and reference materials prior to meetings and actively consulted the Company on major issues. Moreover, we have organized seminars and had in-depth communication with the management and related departments, and have given instrumental advice for the Company's business development after proactive consideration. In addition, we have fully rendered advice based on our expertise and exercised our voting rights with independence, objectivity and due care at the meetings. During the reporting period, we had no objection to resolutions and other matters proposed at the board meetings and the general meetings and voted in favour of all resolutions proposed by the board without voting dissensions and abstentions due to high regard and support to the work of our independent non-executive Directors and adoption of all of our advice by the Company.

We are of the opinion that all notices of Board meetings and general meetings of the Company, reviews and voting on all resolutions therein, and decisions made on major issues are in compliance with laws and regulations and legally valid.

(3) Directors' attendance at Board committee meetings

In 2016, the Company held a total of ten committee meetings, of which three were audit committee meetings, two nomination committee meetings, two remuneration and appraisal committee meetings, one budget committee meeting and two strategy and development committee meetings. Our attendance at committee meetings are set out below:

Name of Independent non-executive Director	Audit Committee Meetings	Nomination Committee Meetings	Remuneration and Appraisal Committee Meetings	Budget Committee Meetings	Strategy and Development Committee Meetings
Mr. Mao Jianong	3/3	2/2	N/A	N/A	2/2
Mr. Zhou Guoliang	1/3	N/A	1/2	0/1	N/A
Dr. Chen Jieping	2/3	N/A	1/2	1/1	N/A
Mr. Chen Wei	N/A	2/2	2/2	N/A	2/2
Professor Japhet Sebastian Law	2/3	2/2	N/A	N/A	N/A
Mr. Chan, Wing Yuen Hubert	1/3	0/2	N/A	N/A	N/A

(4) Meetings convened by committees

In 2016, the audit committee of the Company held three meetings in total. At the meetings, the annual financial results for the year ended 31 December 2015, the interim financial results for the six months ended 30 June 2016 and the major issues on internal control and risk management system were reviewed, and terms of reference of the audit committee were amended. During the year ended 31 December 2016, the audit committee held one meeting with the external auditor without the presence of executive Directors.

The nomination committee under the Board held two meetings in total to review the structure, size and composition of the Board as well as the independence and diversity of independent non-executive Directors.

The remuneration and appraisal committee held two meetings to review and make recommendation to the Board with regard to the Company's remuneration policy and structure for Directors and senior management and other related matters.

The budget committee held one meeting to review and make recommendation to the Board with regard to the budgeting of next financial year.

The strategy and development committee held two meetings in total to review and make recommendation to the Board with regard to the Group's recent strategy planning and development.

2. Major issues highlighted by the independent non-executive Directors during the year

The independent non-executive Directors of the Company paid close attention to the major issues such as operation of the Board and the board committees of the Company, nomination and remuneration of senior management, implementation of information disclosure, comprehensive risk management, results announcement, appointment or change of auditor, implementation of internal control, cash bonus and returns of other investors, use of proceeds from fund raising, related party transaction, external guarantee, fulfillment of commitments by the Company and its Shareholders and make definite judgement on related major issues in compliance with laws and regulations, and made advice and recommendation with independence and objectivity.

3. Independent opinions

Date	Corresponding meeting and section	Item	Opinion
21 January 2016	The 15th meeting of the second session of the Board	Independent opinions by the independent non-executive Directors on the appointment of Dr. Chen Jieping as an independent non-executive Director and Mr. Ma Gang as the member of senior management of the Company	Consent
18 March 2016	The 17th meeting of the second session of the Board	Independent opinions by the independent non-executive Directors on the service agreement (connected transaction) with Hangzhou Anshe and the remedies contemplated thereafter	Consent
28 April 2016	The 18th meeting of the second session of the Board	Independent opinions by the independent non-executive Directors on the appointment of Ms. Fang Xian Li as the secretary of the Board	Consent

Date	Corresponding meeting and section	Item	Opinion
3 June 2016	The 19th meeting of the second session of the Board	Independent opinions by the independent non-executive Directors on the appointment of Mr. Chan, Wing Yuen Hubert as an independent non-executive Director of the Company	Consent

During the reporting period, our independent non-executive Directors expressed independent opinions on the related party transactions between the Company and related parties based on objective analysis and independent judgement in compliance with relevant laws and regulations and regulatory requirements:

1. There was no guarantee provided by the Company in favor of any controlling Shareholders and other related parties, units without legal person status or individuals in 2016.
2. There was no abnormal use of Company's funds by the controlling Shareholders and other related parties of the Company in 2016.
3. There was no major related party transaction in 2016, the transaction amount of the continuing connected transactions between the Group and Hangzhou Ansle in 2016 has not exceeded the caps under the relevant agreements announced which was in compliance with the relevant requirements of the Listing Rules and there were no matters which were detrimental to the Company and other Shareholders.

4. Comprehensive evaluation

During the reporting period, the independent non-executive Directors of the Company paid close attention to the Company's strategic decisions, operation management, operation and development with their expertise and expressed opinions based on independence and objectivity. Their advice and recommendation were valuable to the formulation of strategy, risk control, audit supervision, nomination and remuneration management as well as related party transaction management and were instrumental in safeguarding the rights of minority Shareholders. Meanwhile, adhering to the Company's development strategy, they conducted investigations, researches and seminars and actively rendered support to and expedited business innovation and development of the Company. In 2017, the independent non-executive Directors will continue to focus on major matters of the Board in compliance with related regulations so as to perfect the corporate governance and strengthen the risk prevention and control, achieving a sound development and making greater contribution to safeguard the interests of the Company, its Shareholders and stakeholders.

5. Other matters

1. No proposal to convene board meeting was made by any independent non-executive Director.
2. No proposal to appoint or dismiss auditor was made by any independent non-executive Director.
3. No appointment of external auditors and advisors was made by any independent non-executive Director.

We hereby report as above.

Independent non-executive Directors: Mao Jianong, Chen Jieping, Chen Wei and
Chan, Wing Yuen Hubert

The English version of this appendix is an unofficial translation of the Chinese version. In case of any discrepancy between the two versions, the Chinese version shall prevail.

I. PROCEEDS FROM PREVIOUS FUND RAISING EXERCISE

Pursuant to the “Reply on Approval of the Offering of Overseas-listed Foreign Shares by Shanghai La Chapelle Fashion Co., Ltd.” (Zheng Jian Fa Xing Zi [2014] No. 279) signed and issued by CSRC on 11 March 2014, Shanghai La Chapelle Fashion Co., Ltd. (hereinafter the “**Company**”) was permitted to issue not more than 139,815,735 overseas-listed foreign H shares to the public. On 9 October 2014 and 30 October 2014, the Company issued 121,579,000 and 17,064,000 H shares on the Hong Kong Stock Exchange at an issue price of HK\$13.98 (equivalent to RMB11.08) per share, fully paid up in Hong Kong dollars, with a total proceeds of HK\$1,938,229,140.00 (equivalent to RMB1,535,876,813.43). After deducting underwriting fees, partial sponsor fees and partial issuance expenses advanced by underwriters of HK\$51,248,561.07 (equivalent to RMB40,609,995.51) in total, the proceeds amounted to HK\$1,886,980,578.93 (equivalent to RMB1,495,266,817.92) in aggregate, and after deducting other relevant issuance expenses, the net proceeds amounted to HK\$1,850,815,112.46 (equivalent to RMB1,466,672,338.01) (hereinafter “**Proceeds from Previous Fund Raising Exercise**”). The above proceeds were in place on 30 October 2014, and PricewaterhouseCoopers Zhong Tian LLP conducted verification and issued a capital verification report (Pu Hua Yong Dao Zhong Tian Yan Zi (2015) No. 500).

On 31 December 2016, the balance of proceeds in the designated account amounted to RMB202,210,675.76.

II. ACTUAL USE OF PROCEEDS FROM PREVIOUS FUND RAISING EXERCISE

Pursuant to the prospectus for the overseas-listed foreign H shares issued by the Company in 2014, it was planned that an aggregate proceeds of HK\$1,830,121,000.00 (equivalent to RMB1,450,210,582.27) would be utilized in four specific projects. Pursuant to the resolution passed at the extraordinary general meeting of the Company held on 17 July 2015 in respect of the circular on the “Proposals for Partial Change of the Use of Proceeds from Initial Public Offering” issued by the board of directors of the Company on 1 June 2015, it was planned that an aggregate proceeds of HK\$1,830,120,000.00 (equivalent to RMB1,450,214,934.20) (please refer to the notes to Table 2 for the exchange rates used) would be utilized in six specific projects. As of 31 December 2016, projects involving the use of proceeds from the Company have utilized an aggregate amount of RMB1,331,312,186.00.

APPENDIX II

REPORT ON THE USE OF PROCEEDS FROM THE 2014 OFFERING OF THE GROUP

Use of Proceeds from Previous Fund Raising Exercise by the Company as of 31 December 2016 is as follows:

Table 1

Total proceeds:			HK\$1,850,815,112.46 (RMB1,466,672,338.01)			Aggregate utilized total proceeds:			RMB1,331,312,186.00	
Proceeds for investment projects:			HK\$1,830,121,000.00 (RMB1,450,214,934.20) (Note1)			Total proceeds utilized in respective years:			—	
Total proceeds with change of use:			HK\$1,152,978,800.00			9 October 2014 to 31 December 2014:			RMB1,072,264,349.42	
Proportion of total proceeds with change of use:			63%			1 January 2015 to 31 December 2015:			RMB259,047,836.58	
1 January 2016 to 31 December 2016:										
Number	Investment project		Total investment of proceeds			Aggregate investment of proceeds as of 31 December 2015			Differences between actual investment and committed investment amount after fund raising	
	Committed investment project	Actual investment project	Committed investment amount before fund raising (RMB) (note 3)	Committed investment amount after fund raising (RMB) (Note 3)	Actual investment amount (RMB) (Note 3)	Committed investment amount before fund raising (RMB) (Note 3)	Committed investment amount after fund raising (RMB) (Note3)	Actual investment amount (RMB) (Note 4)	Project completion progress as of the closing date	
1	Repayment of existing bank loans	Repayment of existing bank loans	482,635,980.56	482,635,980.56	482,635,980.56	482,635,980.56	482,635,980.56	482,635,980.56	0.00	100%
2	Strategic expansion of retail network	Strategic expansion of retail network	288,829,538.40	288,829,538.40	288,829,538.40	288,829,538.40	288,829,538.40	288,829,538.40	0.00	100%
3	Working capital and general corporate uses	Working capital and general corporate uses	288,829,538.40	288,829,538.40	288,829,538.40	288,829,538.40	288,829,538.40	288,829,538.40	0.00	100%
4	Investment and strategic alliance	Investment and strategic alliance	288,829,538.40	288,829,538.40	256,500,000.00	288,829,538.40	288,829,538.40	256,500,000.00	32,329,538.40	89%
5	Upgrading of management information system	Upgrading of management information system	86,648,861.52	86,648,861.52	14,517,128.64	86,648,861.52	86,648,861.52	14,517,128.64	72,131,732.88	17%
6	Construction of management college	Construction of management college	14,441,476.92	14,441,476.92	0.00	14,441,476.92	14,441,476.92	0.00	14,441,476.92	0%
Total			1,450,214,934.20	1,450,214,934.20	1,331,312,186.00	1,450,214,934.20	1,450,214,934.20	1,331,312,186.00	118,902,748.20	92%

Note 1: On 9 October 2014 and 30 October 2014, the Company issued a total of 138,643,000 overseas-listed foreign H shares, and the amount of proceeds received from fund raising, net of relevant listing expenses (included in owners' equity), totaled HK\$1,850,815,112.46 (equivalent to RMB1,466,672,338.01); proceeds for investment project of HK\$1,830,121,000.00 represents the net amount of proceeds received net of intermediary expenses relating to listing.

Note 2: As of 31 December 2016, apart from the committed investment amount for “repayment of existing bank loans”, “strategic expansion of retail network” and “working capital and general corporate uses” which has been completely utilized, other three investment projects are still in progress.

Note 3: Both committed investment amount before fund raising and committed investment amount after fund raising represent the amount of use of proceeds from initial public offering upon change as passed by the extraordinary general meeting on 17 July 2015.

Note 4: The actual investment amount was converted using the mid-range exchange rate announced by the People's Bank of China on 31 July 2015.

Pursuant to the prospectus for the overseas-listed foreign H shares issued by the Company in 2014, it was originally planned that an aggregate proceeds of HK\$1,830,121,000.00 (equivalent to RMB1,450,210,582.27) would be utilized for four specific projects. The Company is a company limited by shares incorporated in mainland China. The conversion from Hong Kong dollars (the denomination currency of the proceeds from initial public offering) into Renminbi and the remittance of relevant Renminbi amount from the Company's bank account in Hong Kong into mainland China is subject to the approval by relevant authorities in China. After the completion of initial public offering in October 2014, the Company has made various application and consultation with relevant authorities on the remittance of proceeds from initial public offering into China for the expansion of its retail network. Although the Company tried to persuade relevant authorities for many times, and it was expressly stated in the prospectus that the proceeds from the initial public offering would be utilized by the Group (not limited to the Company level), the relevant authorities still consider that the proceeds from initial public offering could only be utilized by the Company (instead of its subsidiaries). The resolution passed at the extraordinary general meeting of Company held on 17 July 2015 approved the resolution on the partial change of the use of proceeds from the initial public offering, and the uses of proceeds before and after change are listed below:

Table 2

Project name	Original committed investment amount		Planned investment amount after change		Differences		Proportion of changed amount to net proceeds
	as stated in the prospectus						
	HK\$	RMB (Note 1)	HK\$	RMB (Note 2)	HK\$	RMB	
Repayment of existing bank loans	0.00	0.00	603,939,600.00	482,635,980.56	603,939,600.00	482,635,980.56	33%
Strategic expansion of retail network	1,519,000,000.00	1,203,674,442.54	366,024,000.00	288,829,538.40	(1,152,976,000.00)	(914,844,904.14)	−63%
Working capital and general corporate uses	183,010,000.00	145,019,394.16	366,024,000.00	288,829,538.40	183,014,000.00	143,810,144.24	10%
Investment and strategic alliance	0.00	0.00	366,024,000.00	288,829,538.40	366,024,000.00	288,829,538.40	20%
Upgrading of management information system	109,810,000.00	87,014,806.15	109,807,200.00	86,648,861.52	(2,800.00)	(365,944.63)	0%
Construction of management college	18,301,000.00	14,501,939.42	18,301,200.00	14,441,476.92	200.00	(60,462.50)	0%
	1,830,121,000.00	1,450,210,582.27	1,830,120,000.00	1,450,214,934.20	(1,000.00)	4,351.93	63%

Note 1: The original committed investment amount as stated in the prospectus is converted to Renminbi at the actual exchange rate upon the receipt of proceeds;

Note 2: Save for the planned investment amount after change for the “repayment of existing bank deposits”, which is converted to Renminbi using the exchange rate upon the actual settlement of Hong Kong dollars, the mid-range exchange rate announced by the People's Bank of China on 31 July 2015 is used for the conversion for the other five intended investment projects.

The actual effectiveness of the investment projects utilizing the Proceeds from Previous Fund Raising Exercise as of 31 December 2016 is as follows:

Table 3

Actual investment project Number Project name	Aggregate production capacity utilization rate for investment project as of 31 December 2016 (Note)	Committed effectiveness	Aggregate realized effectiveness as of 31 December 2016	Whether expected effectiveness is attained or not
1 Repayment of existing bank loans	N.A.	N.A.	N.A.	N.A.
2 Strategic expansion of retail network	N.A.	N.A.	N.A.	N.A.
3 Working capital and general corporate uses	N.A.	N.A.	N.A.	N.A.
4 Investment and strategic alliance	N.A.	N.A.	N.A.	N.A.
5 Upgrading of management information system	N.A.	N.A.	N.A.	N.A.
6 Construction of management college	N.A.	N.A.	N.A.	N.A.

The Company has made item-by-item comparison between the above actual utilization of the proceeds and the relevant contents in disclosure documents of the Company, and the actual utilization is consistent with the relevant contents disclosed.

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**Related party transactions of Shanghai La Chapelle Fashion Co., Ltd.
during the period from 1 January 2014 to 31 December 2016**

The following report set out the related party transactions of the Company during the period from 1 January 2014 to 31 December 2016 for the Shareholders' approval:

I. STATUS OF RELATED PARTY TRANSACTIONS

1. Provision of guarantee by related party in favor of the issuer

Guarantor	Beneficiary	Guarantee period (Year. Month. Day)	Guaranteed amount (RMB)	Obligation completed
Mr. Xing Jiaying	The Company	2013.06.19–2014.06.19	50,000,000	Yes

2. Remuneration for key management (RMB)

Matter	2016	2015	2014
Remuneration for key management	24,465,000	21,163,000	17,061,000

3. Capital injection

For the year 2015, the Company injected RMB65,000,000 into Hangzhou Anshe to subscribe for the additional registered capital of Hangzhou Anshe.

For the years 2016 and 2014, the Company did not have connected transactions of such kind.

4. Providing labour service

For the year 2016, the license fees payable by Hangzhou Kaihui E-Commerce Co., Ltd. to the Company amounted to RMB304,000.

For the years 2015 and 2014, the Company did not have connected transactions of such kind.

II. THE PRICING POLICIES AND BASIS FOR RELATED PARTY TRANSACTIONS

The pricing principles of related party transactions are arms-length, bona-fide, fair, impartial and open, which are in line with the market. The terms of the transactions are fair, the prices are reasonable, and in the interest of the Company and the Shareholders as a whole and does not involve with situations which damage the interest of the Company and all the Shareholders.

The aforesaid related party transactions are submitted to the AGM for ratification.

PROFILES OF THE CANDIDATES FOR DIRECTORS:**Executive Directors**

Mr. Xing Jiaxing (邢加興), aged 44, obtained an EMBA degree from the China Europe International Business School and is now pursuing an EMBA degree at Xiamen University and an EMBA degree at the PBC School of Finance at Tsinghua University. He is currently our chairman and chief executive officer. Mr. Xing Jiaxing served as business head at Fuzhou Sophie Garment Co., Ltd. (福州蘇菲時裝有限公司) from 1996 to 1998. He established Shanghai Xuhui La Chapelle Fashion Co., Ltd., the predecessor of the Company, in 2001 and has since then served as chairman of the Board and chief executive officer of the Company.

As at the Latest Practicable Date, Mr. Xing Jiaxing has and is deemed to have interest in 187,078,815 Domestic Shares in accordance with Part XV of the SFO.

Mr. Wang Yong (王勇), aged 43, obtained a Master of Business Administration degree from McMaster University, Canada and a Bachelor's degree in International Business Administration from Shanghai University of Finance and Economics. He is currently our executive Director and executive vice president. Mr. Wang Yong served at the investment department of ChinaVest Co., Ltd. (中創企業管理諮詢(上海)有限公司) from 2004 to 2007, as deputy general manager at the investment department of MC Capital Asia Pacific Ltd. (亞洲商菱投資有限公司) from 2007 to 2008, and as investment manager, vice president and general director at Legend Capital Co., Ltd. (君聯資本管理股份有限公司) from 2008 to 2012. He has served as our assistant president, executive vice president and executive Director since April 2012.

Mr. Wang Wenke (王文克), aged 43, is now pursuing an EMBA degree at the China Europe International Business School. He is currently our executive Director and executive vice president. Mr. Wang Wenke served as credit manager in China Citic Industrial Bank (now known as China Citic Bank) Weihai Branch from July 1995 to February 1998. Mr. Wang Wenke held positions of head of human resources department and head of marketing department at Weihai Hamada Printing Press Co., Ltd. (威海濱田印刷機械有限公司) from 1998 to 2002. He was the assistant president, general manager of human resources department, general manager of rubber business department, general manager of fine chemical business department at Sinochem International Corporation (中化國際(控股)股份有限公司) from June 2002 to February 2015. He has served as our executive vice president since February 2015 and executive Director since July 2015.

Non-executive Directors

Mr. Li Jiaqing (李家慶), aged 43, obtained a Master's degree in Management Engineering from Tsinghua University. He is currently our non-executive Director, a director of Anhui Ying Jia Distillery Co., Ltd. (安徽迎駕貢酒股份有限公司) and a director of Wuxi Lead Auto Equipment Co., Ltd. (無錫先導智能裝備股份有限公司). Mr. Li Jiaqing had worked at Legend Capital Co., Ltd. (君聯資本管理股份有限公司, formerly 北京聯想投資顧問有限公司) from July 2001 to June 2013 as investment manager, senior investment manager, executive director and managing director. Mr. Li Jiaqing is currently, managing director of Legend Capital Co., Ltd. (君聯資本管理股份有限公司, formerly 北京聯想投資顧問有限公司) and director of Good Factor Limited, which is one of the substantial shareholders of the Company. Mr. Li Jiaqing is currently also a supervisor of Shanghai Amarsoft Information and Technology Co., Ltd. (上海安碩信息技術股份有限公司) (a company listed on the Shenzhen Stock Exchange) and a director of Yunnan Hongxiang Yixintang Pharmaceutical Co., Ltd. (雲南鴻翔一心堂藥業(集團)股份有限公司) (a company listed on the Shenzhen Stock Exchange). He has served as our non-executive Director since April 2010.

Mr. Cao Wenhai (曹文海), aged 49, obtained a Master's degree in Law from East China College of Political Science and Law. He is currently our non-executive Director and the chairman of the board of Shanghai Jinshangli Venture Capital Management Co., Ltd. (上海金尚蠡創業投資管理有限公司), the chairman of Shanghai Xindaolun Information Technology Co., Ltd. (上海新道倫信息科技有限公司) and a director of Eastern Pioneer Driving School Co., Ltd (a company listed on Shanghai Stock Exchange). Between July 1990 and November 2007, Mr. Cao Wenhai served as vice principal at the Communist Party's School in Yifeng County, Jiangxi Province (中共江西省宜豐縣委黨校) and lawyer at Jiangxi Yifeng Law Offices (江西省宜豐縣律師事務所), Shanghai Xindansheng Law Offices (上海市鑫旦升律師事務所) and Beijing Junzejun Law Offices (Shanghai Branch) (北京君澤君律師事務所上海分所). He served as assistant of directors and president at Shanghai Lingchuang Venture Capital Management Co., Ltd. (上海領創創業投資管理有限公司) from November 2007 to June 2015, vice president of Shanghai Rongxi Venture Capital Management Co., Ltd. (上海融璽創業投資管理有限公司) from July 2009 to April 2016 and is a minority shareholder of one of the shareholders of the Company, Shanghai Ronggao Venture Capital Co., Ltd.. He has served as chairman of the board of Shanghai Jinshangli Venture Capital Management Co., Ltd. (上海金尚蠡創業投資管理有限公司) since April 2016 and our non-executive Director since March 2010.

Mr. Lu Weiming (陸衛明), aged 46, obtained a Bachelor's degree in Management Information Systems from Tongji University. He is currently our non-executive Director and a director of Bioland Environmental Technologies Group Corp., Ltd. (藍德環保科技集團股份有限公司). Mr. Lu Weiming served as manager of investment department at Shanghai Hongyi Development Co., Ltd. (上海鴻儀投資發展有限公司) from 2000 to 2005, deputy general manager at Wuxi City Baolian Investment Co., Ltd. (無錫市寶聯投資有限公司) from 2006 to 2009, partner of Boxin (Tianjin) Equity Investment Management Partnership (Limited Partnership) (博信(天津)股權投資管理合夥企業(有限合夥)) from March 2008 to August 2015. He has served as deputy general manager at Tianjin Boxin

Xinyuan Assets Management Co., Ltd. (天津博信鑫元資產管理股份有限公司) since August 2015 and is a general partner of one of the shareholders of the Company, Boxin First Phase (Tianjin) Equity Fund Partnership (Limited Partnership) (博信一期(天津)股權投資基金合夥企業(有限合夥)). Mr. Lu Weiming is currently also a director of Wuxi Xuelang Environment Technology Co., Ltd. (無錫雪浪環境科技股份有限公司) (a company listed on the Shenzhen Stock Exchange).

Mr. Lu Weiming was a director at Dalian East New Energy Development Co., Ltd. (大連易世達新能源發展股份有限公司) from November 2008 to February 2012 and at Shenzhen Tat Fook Technology Co., Ltd. (深圳市大富科技股份有限公司) from December 2009 to January 2013, both of which are listed on the Shenzhen Stock Exchange. He serves as our non-executive Director since January 2008.

Mr. Luo Bin (羅斌), aged 45, obtained a Master's degree in Mechanical Engineering and a Master's degree in Management Engineering from Donghua University. He is currently our non-executive Director. Mr. Luo Bin served as deputy general manager at the investment management department of Shanghai Kaiye Group Co., Ltd. (上海凱業集團有限公司) from March 2001 to February 2002, deputy manager at industry corporate department of Shanghai Jinxin Securities Research Institute Co., Ltd. (上海金信證券研究所有限責任公司) from March 2002 to August 2003, senior manager at the financial advisory department of Shanghai Shenyin & Wanguo Securities Co., Ltd. (上海申銀萬國證券有限責任公司) from August 2003 to November 2004, partner of Sova Capital Co., Ltd. (上海盛萬投資顧問有限公司) from November 2004 to March 2009. He has served as director (since 2013) and chief finance officer (since April 2009) of Zhejiang Longsheng Group Co., Ltd. (浙江龍盛集團股份有限公司) (the holding company of Senda International Capital Limited, an existing Shareholder of the Company) and our non-executive Director since May 2015.

Ms. Wang Haitong (王海桐), aged 33, obtained a joint Bachelor's degree in Finance and Statistics from Peking University. She is currently our non-executive Director and a director of Ozner Water International Holding Limited (浩澤淨水國際控股有限公司). Ms. Wang Haitong served as an analyst at Morgan Stanley Dean Witter Asia Limited Beijing Representative Office from July 2005 to June 2006, at Morgan Stanley Dean Witter Asia Ltd., Investment Banking Division in Hong Kong from August 2006 to August 2007, and as analyst, then associate and later executive director at the Principal Investment Area of Goldman Sachs (Asia) L.L.C. from September 2007 to December 2013. She has served as an executive director at Goldman Sachs Broad Street (Beijing) Equity Investment Management Co., Ltd. (北京高盛寬街博華股權投資管理有限公司), which is engaged in investment management, since January 2014 and our non-executive Director since July 2014.

Independent non-executive Directors

Dr. Chen Jieping (陳杰平), aged 63. He obtained a doctoral degree in business administration from the University of Houston. He is currently our independent non-executive Director. Dr. Chen Jieping served as assistant professor, associate professor, deputy head and head of the Department of Accountancy of the City University of Hong Kong from 1991 to 2008. He has been a professor since 2008 and has been the Associate

Dean and Director of the EMBA programme from 2009 to 2016 at the China Europe International Business School. He has been an independent non-executive director of Industrial Securities Co., Ltd. since 2011, an independent non-executive director of Shenzhen Worldunion Properties Consultancy Incorporated since 2013, an independent non-executive director of iOne Holdings Limited since 2014 and an independent non-executive director of Jinmao (China) Hotel Investments and Management Limited since 2014. He has served as our independent non-executive Director since April 2016. Dr. Chen Jieping received a bachelor's degree in science and a master's degree in hospitality management, respectively, from the University of Houston in August 1990. He obtained a master's degree in business administration from the University of Houston in May 1992 and a doctoral degree in business administration from the University of Houston in August 1995.

Mr. Chan, Wing Yuen Hubert (陳永源), aged 59, is a resident of Hong Kong, China. He obtained a higher diploma in company secretaryship and administration from The Hong Kong Polytechnic University. He is currently our independent non-executive Director, the chief executive officer and an executive director of Zhong Fa Zhan Holdings Limited (中發展控股有限公司) and the chief executive officer and an executive director of Northern New Energy Holdings Limited (北方新能源控股有限公司). Mr. Hubert Chan served as director of the Listing Division and head of China Affair Department at The Stock Exchange of Hong Kong Limited from February 1987 to August 1997, director and deputy general manager at Guangdong Investment Limited (粵海集團粵海投資有限公司) from August 1997 to January 2000, company secretary and supervisory director at SunEvision Holdings Limited from February 2000 to September 2000, president at Sincere Finance Holdings Limited from September 2000 to February 2002, chief executive officer and executive director at EverChina Int'l Holdings Company Limited (潤中國際控股有限公司) from March 2002 to June 2009, executive director at Softpower International Limited (冠力國際有限公司) from June 2007 to February 2009, advisor and chief executive officer at Sincere Finance Holdings Limited from June 2009 to September 2011. He has served as chief executive officer and executive director of Zhong Fa Zhan Holdings Limited (中發展控股有限公司) since November 2011, chief executive officer and executive director of Northern New Energy Holdings Limited (北方新能源控股有限公司) since August 2014, independent non-executive director of Tian Ge Interactive Holdings Limited (天鵲互動控股有限公司) since June 2014, and our independent non-executive Director since July 2016.

Mr. Zhang Yi (張毅), aged 48, obtained a doctoral degree in Polymer Science from Georgia Institute of Technology and a Master of Business Administration degree from Virginia State University. He is a candidate for our independent non-executive Director. Mr. Zhang Yi served as production operation manager at Honeywell Company from 1998 to 2001, business director of North America at DuPont Teijin Films Joint Venture from 2001 to 2007, director at Magellan International Company from 2008 to 2009, global strategic director, sales director of the Asia-Pacific region and business director of the Asia-Pacific region at DuPont Protection Technology Company from 2008 to 2015, director at DuPont Fiber Joint Venture from 2011 to 2013, director at DuPont Teijin Films Joint Venture from 2013 to 2014 and has served as global business director at DuPont Protection Solution Nomex[®] since June 2015.

Mr. Zhang Zeping (張澤平), aged 43, who does not hold foreign residency, obtained a doctoral degree in International Economy Law from East China University of Political Science and Law and a doctorate degree in Law from Xiamen University. He was a visiting scholar at New York University. He is a candidate for our independent non-executive Director. Mr. Zhang Zeping worked as an English teacher at School of Fundamental Studies of Shanghai University of Engineering Science from July 1997 to September 2000, a lecturer at School of International Law of East China University of Political Science and Law from May 2003 to June 2006, the person-in-charge of the Embassy of the People's Republic of China in the Republic of Macedonia from June 2006 to July 2008, and has served as director and associate professor of Centre for International Tax Law of East China University of Political Science and Law since September 2008 and an independent non-executive director of Kunshan Xiefu New Material Co., Ltd.* (昆山協孚新材料股份有限公司) since March 2015.

Save as disclosed above, each of the candidates of the Board in this appendix has respectively confirmed that, as at the Latest Practicable Date, (1) he does not hold any other position in the Company or any of its subsidiaries and has not held any directorship in any other listed public companies in the past three years; (2) he does not have any relationship with any Directors, Supervisors, senior management, substantial shareholders or controlling shareholders of the Company; and (3) he does not have any interest or deemed interest in any shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO).

Save as disclosed above and to the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, there were no other matters that need to be brought to the attention of Shareholders or the Hong Kong Stock Exchange in respect of the re-election or appointment of each of the above Directors and there is no other information relating to each of the candidates of the Board which is required to be disclosed pursuant to the requirements of Rules 13.51(2)(h) to (v) of the Listing Rules.

* *For identification purposes only*

PROFILES OF THE CANDIDATES FOR SUPERVISORS:**Shareholder representative Supervisor**

Ms. Yang Lin (楊琳), aged 51, obtained a Master's degree in Economics from Renmin University of China. She is currently our Supervisor. Ms. Yang Lin worked as vice general manager of the financial department at Lenovo Group Limited from 1998 to March 2001 and as senior financial advisor and chief financial advisor at Legend Capital Co., Ltd. (君聯資本管理股份有限公司) from April 2001 to present. She has been our Supervisor since May 2011.

Independent Supervisors

Mr. Zhang Tao (張濤), aged 46, obtained a degree of Executive Master of Business Administration from Cheung Kong Graduate School of Business and a degree of Master of Business Administration from Boston University School of Management. He is currently our independent Supervisor and an independent non-executive director of Sichuan Kelun Pharmaceutical Co., Ltd (四川科倫藥業股份有限公司). Mr. Zhang Tao worked as investment banking director at Huatai Securities Company Limited (華泰證券股份有限公司) from 2005 to 2008, executive president at Shanghai Stone Capital Ltd. (上海磐石投資有限公司) from 2008 to 2011 and founding partner of Rong An De Equity Investment Management Partnership (Limited Partnership) (熔安德股權投資基金管理有限合夥企業) since April 2011. He has been our Supervisor since January 2014.

Mr. Zhang Xueqing (張學慶), aged 50, obtained a Bachelor's degree in Auditing from Shanghai University of Finance and Economics. He is currently our independent Supervisor and the vice president of Beijing Sanyuan Foods Co., Ltd. (北京三元食品股份有限公司). Mr. Zhang Xueqing worked as head of finance at Shanghai Nong Gong Shang Supermarket Co., Ltd. (上海農工商超市(集團)有限公司) from June 2000 to September 2001, head of investment at Shanghai Fosun Pharmaceutical (Group) Co., Ltd. (復星醫藥股份有限公司) from September 2001 to September 2002, head of investment and manager in the UHT Division at Bright Dairy & Food Co., Ltd. (光明乳業股份有限公司) from September 2002 to March 2006, founder, chairman and general manager at Global Children Supplies Co., Ltd. (上海全球兒童用品股份有限公司) from May 2006 to June 2014 and president at Shanghai Fosun High Technology (Group) Co., Ltd from July 2014 to present. He has been our Supervisor since January 2014.

Save as disclosed above, each of the candidates of the Supervisory Committee in this appendix has respectively confirmed that, as at the Latest Practicable Date, (1) he does not hold any other position in the Company or any of its subsidiaries and has not held any directorship in any other listed public companies in the past three years; (2) he does not have any relationship with any Directors, Supervisors, senior management, substantial shareholders or controlling shareholders of the Company; and (3) he does not have any interest or deemed interest in any shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO).

Save as disclosed above and to the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, there were no other matters that need to be brought to the attention of Shareholders or the Hong Kong Stock Exchange in respect of the re-election of each of the above Supervisors and there is no other information relating to each of the candidates of the Supervisory Committee which is required to be disclosed pursuant to the requirements of Rules 13.51(2)(h) to (v) of the Listing Rules.

NOTICE OF ANNUAL GENERAL MEETING

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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)

NOTICE OF 2016 ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 2016 annual general meeting (the “AGM”) of Shanghai La Chapelle Fashion Co., Ltd. (the “**Company**”) will be held at 2:00 p.m. on 12 May 2017 at the conference room no. II, 6/F, CHJ Industrial Building, 81 Caodongzhi Road, Xuhui District, Shanghai, the PRC for the purposes of considering and, if thought fit, passing the following resolution(s):

Capitalised terms used in this notice shall have the same meanings as those defined in the circular of the Company dated 27 March 2017 (the “**Circular**”) unless otherwise specified. Please refer to the Circular for details of the proposed resolutions.

AS ORDINARY RESOLUTIONS

1. To consider and approve the report of the Board of the Company for the year ended 31 December 2016;
2. To consider and approve the report of the Supervisory Committee of the Company for the year ended 31 December 2016;
3. To consider and approve the work report of independent non-executive directors of the Company for the year ended 31 December 2016;
4. To consider and approve the audited financial statements and the report of the auditors of the Company for the year ended 31 December 2016;
5. To consider and approve the Company's profit distribution plan and declaration of final dividends for the year ended 31 December 2016;
6. To consider and approve the re-appointment of PricewaterhouseCoopers as the international auditors of the Company to hold office until the conclusion of the next annual general meeting of the Company, and to authorise the Board to fix their remunerations;

NOTICE OF ANNUAL GENERAL MEETING

7. To consider and approve the re-appointment of PricewaterhouseCoopers Zhong Tian LLP (Special General Partnership) as the Company's PRC domestic auditor for the year 2017 and authorize the Board to determine and fix the auditor's remuneration;
8. To consider and approve the report on the use of proceeds from the 2014 Offering of the Group;
9. To consider and confirm the report on the related party transactions of the Group during the period from 1 January 2014 to 31 December 2016;
10. To consider and approve the resolution on application to the bank for credit facilities of Shanghai La Chapelle Fashion Co., Ltd.;
11. To consider and approve the resolution on providing guarantee for the subsidiaries of Shanghai La Chapelle Fashion Co., Ltd.;
12. To consider and approve the Company's final accounts for the year 2016;
13. To consider and approve the Company's financial budget for the year 2017;
14. To consider and approve the re-election of Mr. Xing Jiaying as executive Director of the Company for a term of three years commencing from the date of the AGM, and to authorise the Board to fix his remuneration;
15. To consider and approve the re-election of Mr. Wang Yong as executive Director of the Company for a term of three years commencing from the date of the AGM, and to authorise the Board to fix his remuneration;
16. To consider and approve the re-election of Mr. Wang Wenke as executive Director of the Company for a term of three years commencing from the date of the AGM, and to authorise the Board to fix his remuneration;
17. To consider and approve the re-election of Mr. Li Jiaqing as non-executive Director of the Company for a term of three years commencing from the date of the AGM, and to authorise the Board to fix his remuneration;
18. To consider and approve the re-election of Ms. Wang Haitong as non-executive Director of the Company for a term of three years commencing from the date of the AGM, and to authorise the Board to fix her remuneration;
19. To consider and approve the re-election of Mr. Luo Bin as non-executive Director of the Company for a term of three years commencing from the date of the AGM, and to authorise the Board to fix his remuneration;
20. To consider and approve the re-election of Mr. Lu Weiming as non-executive Director of the Company for a term of three years commencing from the date of the AGM, and to authorise the Board to fix his remuneration;

NOTICE OF ANNUAL GENERAL MEETING

21. To consider and approve the re-election of Mr. Cao Wenhai as non-executive Director of the Company for a term of three years commencing from the date of the AGM, and to authorise the Board to fix his remuneration;
22. To consider and approve the re-election of Dr. Chen Jieping as independent non-executive Director of the Company for a term of three years commencing from the date of the AGM, and to authorise the Board to fix his remuneration;
23. To consider and approve the re-election of Mr. Chan, Wing Yuen Hubert as independent non-executive Director of the Company for a term of three years commencing from the date of the AGM, and to authorise the Board to fix his remuneration;
24. To consider and approve the election of Mr. Zhang Zeping as independent non-executive Director of the Company for a term of three years commencing from the date of the AGM, and to authorise the Board to fix his remuneration;
25. To consider and approve the election of Mr. Zhang Yi as independent non-executive Director of the Company for a term of three years commencing from the date of the AGM, and to authorise the Board to fix his remuneration;
26. To consider and approve the re-election of Ms. Yang Lin as the shareholder representative Supervisor of the Company for a term of three years commencing from the date of the AGM, and to authorise the Board to fix her remuneration;
27. To consider and approve the re-election of Mr. Zhang Tao as independent Supervisor of the Company for a term of three years commencing from the date of the AGM, and to authorise the Board to fix his remuneration; and
28. To consider and approve the re-election of Mr. Zhang Xueqing as independent Supervisor of the Company for a term of three years commencing from the date of the AGM, and to authorise the Board to fix his remuneration.

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

Shanghai, the PRC, 27 March 2017

Notes:

1. In order to determine the Shareholders who are entitled to attend the AGM, the register of members of the Company will be closed from 12 April 2017 to 11 May 2017 (both days inclusive), during which period no transfer of Shares can be registered. In order to be qualified to attend and vote at the AGM, all transfer documents accompanied by the relevant share certificate(s) must be lodged with the Company's H Shares Registrar in Hong Kong, Computershare Hong Kong Investor Services

NOTICE OF ANNUAL GENERAL MEETING

Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong (for holder(s) of H Shares) or the registered office of the Company in the PRC at Room 3300, Level 3, Block 1, 270 Cao Xi Road, Xuhui District, Shanghai, PRC (for holder(s) of Domestic Shares and Unlisted Foreign Shares) for registration not later than 4:30 p.m. on 11 April 2017.

Shareholders whose names appear on the register of members of the Company at the close of business on 11 April 2017 are entitled to attend and vote at the AGM.

2. The Board has recommended the final dividend of RMB0.3 (tax inclusive) per Share for the year ended 31 December 2016 (the “**2016 Final Dividend**”) and, if such dividend is declared by the Shareholders passing the ordinary resolution, it is expected to be paid on or about 30 June 2017 to those Shareholders whose names appear on the register of members of the Company at the close of business on 23 May 2017.

In order to determine the Shareholders who are entitled to receive the 2016 Final Dividend, the register of members of the Company will be closed from 18 May 2017 to 23 May 2017 (both days inclusive), during which period no transfer of Shares can be registered. In order to be qualified to receive the 2016 Final Dividend, all transfer documents accompanied by the relevant share certificate(s) must be lodged with the Company’s H Shares Registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong (for holder(s) of H Shares) or the registered office of the Company in the PRC at Room 3300, Level 3, Block 1, 270 Cao Xi Road, Xuhui District, Shanghai, PRC (for holder(s) of Domestic Shares and Unlisted Foreign Shares) for registration not later than 4:30 p.m. on 17 May 2017.

3. Shareholders who are entitled to attend and vote at the AGM may appoint one or more proxies to attend and, in the event of a poll, vote on their behalf. A proxy need not be a shareholder of the Company.
4. In order to be valid, the proxy form must be deposited by hand or by post, for the holder(s) of H Shares, to the Company’s H Shares Registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong, and for the holder(s) of Domestic Shares and Unlisted Foreign Shares, to the registered office of the Company in the PRC at Room 3300, Level 3, Block 1, 270 Cao Xi Road, Xuhui District, Shanghai, PRC not less than 24 hours before the time appointed for the holding of the AGM (being 2:00 p.m. on 11 May 2017) or not less than 24 hours before the time appointed for the holding of any adjournment or 24 hours before the time appointed for taking the poll. If the proxy form is signed by a person under a power of attorney or other authority, a notarially certified copy of that power of attorney or authority shall be deposited at the same time as mentioned in the proxy form. Completion and return of the proxy form will not preclude shareholders from attending and voting in person at the AGM or any adjournment thereof should they so wish.
5. Shareholders or their proxies shall produce their identity documents when attending the AGM.

NOTICE OF ANNUAL GENERAL MEETING

6. Shareholders who intend to attend the AGM shall complete the reply slip and return it by hand or by post to the Company's H Shares Registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong (for holder(s) of H Shares) or to the registered office of the Company in the PRC, at Room 3300, Level 3, Block 1, 270 Cao Xi Road, Xuhui District, Shanghai, PRC (for holder(s) of the Domestic Shares and Unlisted Foreign Shares) not later than 4:30 p.m. on 21 April 2017.
7. In accordance with the requirements of Rule 13.39(4) of the Listing Rules, any vote of shareholders at a general meeting shall be taken by poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. Therefore, according to Article 83 of the Articles of Association, a poll will be demanded by the chairman of the AGM so that all resolutions set out in this notice of AGM will be decided on a poll.

On a poll taken at the meeting, shareholders (including proxies) entitled to two or more votes are not required to cast all their votes for or against a resolution or to abstain from voting on a resolution by not casting any of their votes.
8. The AGM is expected to last for half a day. Shareholders or their proxies attending the AGM shall be responsible for their own travelling and accommodation expenses.
9. The Company's registered office in the PRC is situated at:

Room 3300, Level 3, Block 1
270 Cao Xi Road, Xuhui District
Shanghai, PRC

Contact: Ms. Fang Xian Li of Office of the Board
Tel No.: 86-21-80239245
Fax No.: 86-21-80239399

The address of the Company's H Shares Registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, is:

Shops 1712-1716
17th Floor, Hopewell Centre
183 Queen's Road East
Wanchai, Hong Kong

Tel No.: (852) 2862 8628
Fax No.: (852) 2865 0990

As of the date of this notice, 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 Wenhui, Ms. Wang Haitong and Mr. Luo Bin; the independent non-executive Directors are Mr. Mao Jianong, Dr. Chen Jieping, Mr. Chen Wei and Mr. Chan, Wing Yuen Hubert.