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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)

(1) PROPOSED ALIGNMENT IN THE PREPARATION OF FINANCIAL STATEMENTS IN ACCORDANCE WITH CHINA ACCOUNTING STANDARDS FOR BUSINESS ENTERPRISES (2) PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION; AND (3) PROPOSED CESSATION OF APPOINTMENT OF INTERNATIONAL AUDITORS

(1) PROPOSED ALIGNMENT IN THE PREPARATION OF FINANCIAL STATEMENTS IN ACCORDANCE WITH CHINA ACCOUNTING STANDARDS FOR BUSINESS ENTERPRISES

Reference is made to the circulars of the Company dated 10 June 2016 and 11 March 2016 and the announcements of the Company dated 25 May 2017, 16 November 2015, 26 October 2015, 31 July 2015, 20 July 2015 and 21 April 2015 in relation to the proposed listing of the A Shares.

Since the date on which the H Shares of the Company became listed on the Stock Exchange, the Company has been preparing its financial statements under both the CASBE and the International Financial Reporting Standards.

According to the “Consultation Conclusions on Acceptance of Mainland Accounting and Auditing Standards and Mainland Audit Firms for Mainland Incorporated Companies Listed in Hong Kong” (《有關接受在香港上市的內地註冊成立公司採用內地的會計及審計準則以及聘用內地會計師事務所的諮詢總結》) published by the Stock Exchange in December 2010, PRC incorporated issuers listed in Hong Kong are allowed to prepare their financial statements in accordance with the CASBE and PRC audit firms approved by the MOF and the CSRC are allowed to audit these financial statements in accordance with the CASBE.

In view of such arrangement and the proposed listing of the A Shares of the Company and in order to improve the efficiency and reduce the cost of disclosure and audit expenses, the Board has passed a resolution on 9 June 2017 to prepare only one set of financial statement for the Company under the CASBE (the “**Proposed Change of Accounting Standard**”). The Proposed Change of Accounting Standard will be subject to the Shareholders’ approval on the proposed amendments to the Articles of Association as described in paragraph (2) below.

Subject to the approval of the Shareholders of the Proposed Amendments to the Articles of Association, it is expected that the interim results of the Company for the six months ending 30 June 2017 will be prepared in accordance with the CASBE. The Company believes that the Proposed Change of Accounting Standard will not have any material adverse effect on the publication of the Company's interim results for the six months ending 30 June 2017.

(2) PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

PricewaterhouseCoopers Zhong Tian LLP (Special General Partnership) (“**PWC Zhong Tian**”), the Company's PRC auditors, is a PRC audit firm approved by the MOF and the CSRC to provide auditing services in accordance with the CASBE to PRC incorporated issuers.

In light of the Proposed Change of Accounting Standard, the Board has passed a resolution on 9 June 2017, proposing to amend the Articles of Association (the “**Proposed Amendments to the Articles of Association**”). Please refer to the Appendix to this announcement for the full text of the Proposed Amendments to the Articles of Association.

The Proposed Amendments to the Articles of Association are subject to the approval of the Shareholders by passing a special resolution at the General Meeting. Save for the amendments as set out in the Proposed Amendments to the Articles of Association, the other provisions of the amended Articles of Association will remain unchanged. The Proposed Amendments to the Articles of Association will become effective upon the approval by the Shareholders at the General Meeting.

(3) PROPOSED CESSATION OF APPOINTMENT OF INTERNATIONAL AUDITORS

PricewaterhouseCoopers has been engaged by the Company as an international auditors to audit the financial statement of the Company prepared in accordance with the International Financial Reporting Standards. In light of the Proposed Change of Accounting Standard, the Board proposes to cease to re-appoint PricewaterhouseCoopers as the international auditor of the Company (the “**Proposed Cessation of Appointment**”), subject to the approval by the Shareholders at the General Meeting. PWC Zhong Tian will be the only auditor auditing the Company's financial statements in accordance with the CASBE and undertaking the role of international auditors in compliance with the Listing Rules.

PricewaterhouseCoopers has confirmed that there were no matters regarding the Proposed Cessation of Appointment that need to be brought to the attention of the Shareholders. The Board and the audit committee of the Company confirmed that there were no disagreement between the Company and PricewaterhouseCoopers regarding such Proposed Cessation of Appointment.

The Company believes that the change of Auditor will not materially and adversely affect the publication of interim results for the six months ending 30 June 2017.

A circular containing, amongst others, further details of (1) the Proposed Amendments to the Articles of Association; and (2) the Proposed Cessation of Appointment together with a notice convening the General Meeting, will be despatched to the Shareholders in due course.

DEFINITIONS

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

“A Share(s)”	ordinary shares in the Company with a nominal value of RMB1.00 per share proposed to be issued under the A Share Offering and to be listed and traded in RMB on the Shanghai Stock Exchange
“A Share Offering”	the Company’s proposed initial public offering of not more than 54,770,000 A Shares to be listed on the Shanghai Stock Exchange
“Articles of Association”	the articles of association of the Company, as amended from time to time
“Board”	the board of Directors of the Company
“CASBE”	the China Accounting Standards for Business Enterprises (中國企業會計準則)
“Company”	Shanghai La Chapelle Fashion Co., Ltd. (上海拉夏貝爾服飾股份有限公司), a joint stock company established in the PRC with limited liability and the H Shares of which are listed on the main board of the Stock Exchange (Stock Code: 06116)
“CSRC”	China Securities Regulatory Commission (中國證券監督管理委員會)
“Director(s)”	the director(s) of the Company
“General Meeting”	the extraordinary general meeting to be convened by the Company to approve the Proposed Amendments to the Articles of Association and Proposed Cessation of Appointment
“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 Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“MOF”	Ministry of Finance of the PRC (中國財政部)

“PRC”	the People’s Republic of China; for the purposes of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Shareholders”	the shareholders of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

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

Shanghai, the PRC, 9 June 2017

As of the date of this announcement, the executive directors of the Company are Mr. Xing Jiaying, Mr. Wang Yong and Mr. Wang Wenke; the non-executive directors of the Company are Mr. Li Jiaqing, Mr. Lu Weiming, Mr. Cao Wenhai, Ms. Wang Haitong and Mr. Luo Bin; the independent non-executive directors of the Company are Mr. Zhang Yi, Dr. Chen Jieping, Mr. Zhang Zeping and Mr. Chan, Wing Yuen Hubert.

APPENDIX – PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Original Provisions

Article 164

The financial statements of the Company shall, in addition to being prepared in accordance with PRC accounting standards and regulations, be prepared in accordance with either international accounting standards or that of the overseas place where the shares are listed. If there is any material difference between the financial statements prepared respectively in accordance with the two accounting standards, explanations shall be made in the financial statements. When the Company is to distribute its after-tax profits, the lower of the after-tax profits as shown in the two financial statements shall be adopted.

Article 165

Any interim results or financial information published or disclosed by the Company must also be prepared and presented in accordance with PRC accounting standards and regulations, and also in accordance with either international accounting standards or that of the overseas place where the shares are listed.

Amended Provisions

Article 164

The financial statements of the Company shall be prepared in accordance with the China Accounting Standards for Business Enterprises and regulations.

Article 165

The interim results or financial information announced or disclosed by the Company shall be prepared in accordance with the China Accounting Standards for Business Enterprises and regulations.