

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

L'ORÉAL
L'Oréal S.A.



MAGIC HOLDINGS INTERNATIONAL LIMITED

美即控股國際有限公司

(Incorporated in France as a société anonyme) (Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1633)

**JOINT CLARIFICATION ANNOUNCEMENT IN RESPECT OF THE
PRE-CONDITIONAL PROPOSAL FOR ALL THE ISSUED SHARES OF
MAGIC HOLDINGS INTERNATIONAL LIMITED
BY L'ORÉAL S.A.
BY WAY OF A SCHEME OF ARRANGEMENT
(UNDER SECTION 86 OF THE COMPANIES LAW)**

Reference is made to the joint announcement (“**Joint Announcement**”) of the Company and L'Oréal S.A. dated 15 August 2013 in respect of a proposed acquisition of all the issued Shares by way of a scheme of arrangement under section 86 of the Companies Law (2013 Revision), as consolidated and revised, of the Cayman Islands. Unless otherwise specified, terms used in this announcement shall have the same meanings as those defined in the Joint Announcement.

The Joint Announcement stated that Atlantis Capital Holdings Limited (“**Atlantis Capital**”) was interested in 90,856,579 Shares as at 12 August 2013, being the latest practicable date of the Joint Announcement (the “**Latest Practicable Date**”). The Company and the Offeror wish to clarify that there has been an error in the text published in the Joint Announcement and that the number of Shares in which Atlantis Capital was interested as at the Latest Practicable Date should have been 84,894,579 (the “**Revision**”), which amounted to approximately 8.18% of all the issued Shares as at the Latest Practicable Date. Of the 84,894,579 Shares, (i) 42,260,318 Shares were held by various portfolios managed by Atlantis, and (ii) 42,634,261 Shares were owned by a fund to which Riverwood Asset Management (Cayman) Limited was the investment manager and Atlantis was the sub-investment manager. Atlantis is a wholly-owned subsidiary of Atlantis Capital, an entity controlled by Yang Liu.

As set out in the Joint Announcement, Atlantis, as principal and on behalf of the Atlantis Investors, undertook, to the extent permitted under applicable laws, rules and regulations, to exercise, or, as the case may be, to procure the exercise of, the voting rights in respect of 79,894,579 Shares held by the Atlantis Investors in portfolios managed by Atlantis in favour

of all resolutions which are necessary to implement the Proposal and the Scheme (the “**Irrevocable Undertakings**”). The Company and the Offeror confirm that the Revision does not affect the Irrevocable Undertakings.

After the Revision, on the assumption that no Awarded Shares are vested in the grantees of the Awarded Shares before the Record Date, and the assumption that there is no other change in shareholdings, the table below sets out the shareholding structure of the Company as at the Latest Practicable Date and immediately upon completion of the Proposal:

Shareholders	As at the Latest Practicable Date		Upon completion of the Proposal	
	Number of Shares	%	Number of Shares	%
Offeror	—	—	1,037,892,736	100
Relevant members of BNP Paribas group	<u>132,000</u>	<u>0.01</u>	<u>—</u>	<u>—</u>
Aggregate number of Shares of the Offeror and the Offeror Concert Parties	132,000	0.01	1,037,892,736	100
Mr. She ^{1, 8}	121,459,929	11.70	—	—
Share Award Plan Trustee ^{2, 8}	<u>21,121,989</u>	<u>2.04</u>	<u>—</u>	<u>—</u>
Aggregate number of Shares not voting on the Scheme	<u>142,713,918</u>	<u>13.75</u>	<u>—</u>	<u>—</u>
Mr. Tang Siu Kun Stephen ³	93,282,091	8.99	—	—
Mr. Luo Yao Wen ⁴	38,097,345	3.67	—	—
Mr. Sun Yan ⁵	360,000	0.03	—	—
Mr. Yan Kam Tong ⁵	360,000	0.03	—	—
Professor Yang Rude ⁵	130,000	0.01	—	—
Baring ⁶	217,295,000	20.94	—	—
Greenwoods	99,228,824	9.56	—	—
Atlantis Capital ⁷	84,894,579	8.18	—	—
Other public Shareholders	361,530,979	34.84	—	—
Total number of Independent Shareholders	<u>895,178,818</u>	<u>86.25</u>	<u>—</u>	<u>—</u>
Total	<u>1,037,892,736</u>	<u>100.00</u>	<u>1,037,892,736</u>	<u>100.00</u>
Total number of Shares	1,037,892,736	100.00		

Notes:

- As at the Latest Practicable Date, SPVCo, a company wholly-owned by Mr. She, was the beneficial owner of 120,955,754 Shares. Wu Xiao Qing, the spouse of Mr. She, was the beneficial owner of 504,175 Shares. Mr. She was therefore deemed to be interested in the Shares which SPVCo and Wu Xiao Qing were interested in under the SFO.

2. As at the Latest Practicable Date, the Share Award Plan Trustee held 21,121,989 Shares, of which 17,037,960 were Awarded Shares, and 2,407,028 Awarded Shares were granted to Mr. Tang Siu Kun Stephen, 3,114,977 Awarded Shares were granted to Mr. She, and 959,665 Awarded Shares were granted to Mr. Luo Yao Wen, each an executive director of the Company, 503,430 Awarded Shares were granted to the spouse of Mr. She and 78,660 Awarded Shares were granted to a sister of Mr. She. The remaining 9,974,200 Awarded Shares held by the Share Award Plan Trustee were granted to other members of senior management and employees of the Magic Group.
3. As at the Latest Practicable Date, Mr. Tang Siu Kun Stephen directly and beneficially owned 2,888,020 Shares. Mr. Tang Siu Kun Stephen wholly owned MG Company Limited and Charm Magna Limited, which were the beneficial owners of 63,301,170 Shares and 27,092,901 Shares, respectively. Mr. Tang Siu Kun Stephen was therefore deemed to be interested in the Shares which MG Company Limited and Charm Magna Limited were interested in under the SFO.
4. As at the Latest Practicable Date, Mr. Luo Yao Wen wholly owned Multiple Gains Investments Limited, which was the beneficial owner of 37,327,899 Shares. Ms. Wen Yan Juan, the spouse of Mr. Luo Yao Wen, was the beneficial owner of 769,446 Shares. Mr. Luo Yao Wen was therefore deemed to be interested in the Shares which Multiple Gains Investments Limited and Wen Yan Juan were interested in under the SFO.
5. Mr. Sun Yan is a non-executive director of the Company. Each of Mr. Yan Kam Tong and Professor Yang Rude is an independent non-executive director of the Company.
6. As at the Latest Practicable Date, Baring Private Equity Asia GP V Limited was the general partner of a limited partnership (Baring Private Equity Asia GP V LP), which was the general partner of another limited partnership (The Baring Asia Private Equity Fund V LP), which was one of the limited liability partnerships comprising The Baring Asia Private Equity Fund V and which controlled more than one-third of the issued shares in Baring. Jean Eric Salata was the sole shareholder of Baring Private Equity Asia GP V Limited. Each of Baring Private Equity Asia GP V Limited and Jean Eric Salata was therefore deemed to be interested in 217,295,000 Shares held by Baring as at the Latest Practicable Date. Jean Eric Salata disclaimed beneficial ownership of such Shares, other than to the extent of his economic interest in such entities.
7. Among the 84,894,579 Shares in which Altantis Capital was interested as at the Latest Practicable Date, (i) 42,260,318 Shares were held by various portfolios managed by Atlantis, and (ii) 42,634,261 Shares were owned by a fund to which Riverwood Asset Management (Cayman) Limited was the investment manager and Atlantis was the sub-investment manager. Atlantis was a wholly-owned subsidiary of Atlantis Capital Holdings Limited, an entity controlled by Yang Liu.
8. As Mr. She is interested in the Service Agreement, and the completion of the Scheme is conditional upon the passing of an ordinary resolution by the Independent Shareholders at an extraordinary general meeting of the Company to approve the terms of the Remuneration Package, to avoid a conflict of interest, Mr. She, his spouse, the Share Award Plan Trustee and his associates will abstain from voting on the Scheme at the Court Meeting and on the Service Agreement and the Remuneration Package at the Company's extraordinary general meeting.

Subsequent to the Latest Practicable Date, Atlantis has filed a public disclosure form dated 30 October 2013 under Rule 22 of the Takeovers Code (the “**Public Disclosure**”) in respect of a disposal of 30,260,318 Shares (the “**Relevant Shares**”). The Offeror has been informed that Atlantis ceased to be the manager of the Relevant Shares on 29 October 2013. However, the beneficial holder of the Relevant Shares has confirmed to the Offeror that it will vote all of the Relevant Shares in favour of the Proposal and the Scheme, and will not otherwise deal in or dispose of the Relevant Shares.

By Order of the Board of
L’Oréal S.A.
Jean-Paul Agon
Chairman

By Order of the Board of
Magic Holdings International Limited
Tang Siu Kun Stephen
Chairman

Hong Kong, 12 November 2013

As at the date of this announcement, the directors of the Offeror are:

Directors:

Jean-Paul Agon
Jean-Pierre Meyers
Peter Brabeck-Letmathe
Françoise Bettencourt Meyers
Paul Bulcke
Christiane Kuehne
Jean-Victor Meyers

Independent Directors:

Virginie Morgon
Annette Roux
Charles-Henri Filippi
Xavier Fontanet
Bernard Kasriel
Marc Ladreit de Lacharrière
Louis Schweitzer

The directors of the Offeror jointly and severally accept full responsibility for the accuracy of the information contained in this announcement (other than that relating to the Magic Group) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement (other than those expressed by the directors of the Company) have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.

As at the date of this announcement, the directors of the Company are:

Executive Directors:

Tang Siu Kun Stephen
She Yu Yuan
Luo Yao Wen
Cheng Wing Hong

Non-executive Directors:

Sun Yan
Chen Dar Cin

Independent Non-executive

Directors:
Yan Kam Tong
Dong Yin Mao
Yang Rude

The directors of the Company jointly and severally accept full responsibility for the accuracy of the information contained in this announcement (other than that relating to the Offeror Group) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement (other than those expressed by the directors of the Offeror) have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.