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# La Chapelle

新疆拉夏貝爾服飾股份有限公司  
**Xinjiang La Chapelle Fashion Co., Ltd.**  
(IN REORGANISATION)

*(formerly known as “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 People’s Republic of China with limited liability)  
(Stock code: 06116)*

## **ANNOUNCEMENT IN RELATION TO THE COURT’S APPROVAL OF THE REORGANISATION SCHEME OF A FORMER WHOLLY-OWNED SUBSIDIARY**

This announcement is made by Xinjiang La Chapelle Fashion Co., Ltd. (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2) and Rule 13.10B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Reference is made to the announcements of the Company dated 27 November 2019, 7 December 2020, 12 January 2021, 19 January 2021, 23 April 2021, 16 August 2021, 20 December 2021 and 2 February 2023 and the announcements of the administrator of the Company dated 8 March 2023 and 26 April 2023.

Reference is also made to the announcement of the administrator of the Company dated 26 April 2023 in relation to the information regarding the convening of the first creditors’ meeting of a former wholly-owned subsidiary of the Company, the voluntary announcement dated 14 March 2023 of the administrator of the Company in relation to the invitation for investors for the bankruptcy reorganization of a former wholly-owned subsidiary, the announcement of the administrator of the Company dated 15 February 2023 in relation to the decision of the court to accept the application for reorganization of a wholly-owned subsidiary of the Company and the designation of administrator, the update announcement of the Company dated 19 July 2022 on application for reorganization and pre-reorganization of a wholly-owned subsidiary of the Company by a creditor, the announcement of the Company dated 14 July 2022 on the approval of commencement of the pre-reorganization and reorganization procedures of a wholly-owned subsidiary, the announcement of the Company dated 12 July 2022 on application for reorganization and pre-reorganization of a wholly-owned subsidiary of the Company by a creditor, the announcement of the Company dated 25 January 2021 in relation to additional new accumulated litigation involving the Company and its subsidiaries (together with the above-mentioned announcements, the “**Announcements**”) and the overseas regulatory announcement of the Company dated 28 April 2021 in relation to asset freezes and accumulated litigation involving the Group.

Unless otherwise defined, capitalised terms used in this announcement shall have the same meaning as defined in the Announcements.

A creditor of La Chapelle Taicang, a then wholly-owned subsidiary of the Company, had submitted an application for the bankruptcy reorganisation of La Chapelle Taicang and for the pre-reorganisation of La Chapelle Taicang during the filing review period. On 15 July 2022, the Court decided to commence the pre-reorganisation of La Chapelle Taicang and appointed Jiangsu New Talent Law Firm\* (江蘇新天倫律師事務所) as the provisional administrator of La Chapelle Taicang. On 10 February 2023, the Court decided to accept the application for reorganisation of La Chapelle Taicang by its creditor and appointed Jiangsu New Talent Law Firm\* (江蘇新天倫律師事務所) as the administrator of La Chapelle Taicang, and the first creditors' meeting was held at 14:00 on 25 April 2023 at the Grand Chamber, 5F\* (五樓大法庭) of the Court (No. 19, Banjing South Road, Chengxiang Town, Taicang, Jiangsu Province, the PRC)\* (江蘇省太倉市城廂鎮半涇南路十九號), at which the administrator of La Chapelle Taicang submitted the draft reorganisation scheme for voting at the creditors' meeting. For details, please refer to the Announcements.

On 23 July 2024, La Chapelle Taicang received the second issue of the (2023) Su 0585 Po No.7 Civil Judgment\* ((2023) 蘇0585破7號之二《民事裁定書》) issued by the Court. The Court approved the draft reorganisation scheme of La Chapelle Taicang and terminated La Chapelle Taicang's reorganisation procedures. The details are set out as follows:

## **I. MAIN CONTENTS OF THE CIVIL JUDGEMENT**

On 25 April 2023, the first creditors' meeting of La Chapelle Taicang was convened by the Court, at which the administrator of La Chapelle Taicang submitted the draft reorganisation scheme for voting. The draft reorganisation scheme was approved by the employee creditors' group (職工債權組), the tax creditors' group (稅收債權組), the general creditors' group (普通債權組) and the capital contributors' group (出資人組), while it was not passed by the creditors' group with priority rights over specific properties (對特定財產享有優先權的債權組). Subsequently, after consultation, the administrator of La Chapelle Taicang made amendments to the contents of the draft reorganisation scheme in relation to the secured debts. For the conversion amount of the secured properties (which is used to settle 2% of other debts) in the draft reorganisation scheme submitted to the creditors' meeting for voting for the first time, such amount of 2% (RMB9,072,945.93) was compensated by the reorganisation investors of La Chapelle Taicang to the mortgagees, so as to ensure the full settlement in respect of the converted amount of the secured properties. At the same time, the reorganisation investors agreed to compensate the mortgagees for the delayed (i.e. for more than one month) payment of the settlement amount at the quoted market interest rate for loans for the same period. In October 2023, the administrator of La Chapelle Taicang submitted the amended draft reorganisation scheme to the creditors' group with priority rights over specific properties for voting, which was still not passed like the first meeting.

On 20 June 2024, the administrator of La Chapelle Taicang filed an application to the Court, claiming that in respect of the bankruptcy reorganisation of La Chapelle Taicang, the employee creditors' group, the tax creditors' group, the general creditors' group, and the capital contributors' group voted for the draft reorganisation scheme, while the creditors' group with priority rights

over specific properties did not pass the draft reorganisation scheme in two rounds of voting. However, in accordance with the draft reorganisation scheme, the creditors' group with priority rights over specific properties will receive full and immediate settlement of the corresponding specific properties, and for the portion that cannot be settled immediately, fair compensation will be provided for the losses suffered due to the delay in settlement; the members of the same voting group will be treated in a fair manner under the draft reorganisation scheme, and the order of debt settlement as stipulated therein does not violate the provisions of Article 113 of the Enterprise Bankruptcy Law of the People's Republic of China\* (《中華人民共和國企業破產法》). At the same time, the operation plan proposed by the investors is practicable, and the operational modifications and upgrades of projects of La Chapelle Taicang is conducive to the maximization of economic and market efficiencies. In summary, the administrator was of the view that the draft reorganisation scheme complied with Article 87(2) of the Enterprise Bankruptcy Law of the People's Republic of China\* (《中華人民共和國企業破產法》) and requested the Court to approve the draft reorganisation scheme.

The Court was of the view that the draft reorganisation scheme of La Chapelle Taicang had been voted again, and although the creditors' group with priority rights over specific properties did not pass the draft reorganisation scheme, the contents of the draft reorganisation scheme, such as the business plan of the debtors, the classification of the debts, the adjustment plan of the debts and the debt repayment plan were in compliance with laws and regulations, the formulation and voting procedures were in compliance with the legal requirements, and the content of the draft was also in compliance with the legal requirements. Also, the draft reorganisation scheme did not impair the interests of the various categories of creditors, which was conducive to the realisation of fair compensation and benefit maximization for creditors, and gave full play to the social function of the bankruptcy reorganisation procedure in protecting the legitimate rights and interests of all categories of relevant parties and rescuing enterprises in distress, and the business plan was feasible. The application of the administrator was in compliance with the legal requirements, and after discussion and decision by the judicial committee of the Court, in accordance with Article 87(2) and (3) of the Enterprise Bankruptcy Law of the People's Republic of China\* (《中華人民共和國企業破產法》), it was ruled as follows: (1) to approve the draft reorganisation scheme of La Chapelle Taicang; and (2) to terminate the reorganisation process of La Chapelle Fashion Taicang. This ruling shall take effect as of 22 July 2024.

## **II. IMPACTS OF THE APPROVAL OF THE REORGANISATION SCHEME OF LA CHAPELLE TAICANG ON THE COMPANY**

1. Since La Chapelle Taicang has entered the reorganisation procedures and the Court has designated its administrator, the Company has lost its control over La Chapelle Taicang, and La Chapelle Taicang is no longer consolidated into the consolidated statements of the Company. After the approval of the reorganisation scheme of La Chapelle Taicang by the Court, there is no change on the Company's control over La Chapelle Taicang, and La Chapelle Taicang is still not consolidated into the consolidated statements of the Company.
2. This matter may impact the Company's profits in the current or subsequent periods. The final impact will be subject to the implementation of the reorganisation plan and the annual audited financial results of the Company.

### III. RISK WARNING

1. In accordance with the relevant provisions of the Enterprise Bankruptcy Law of the People's Republic of China\* (《中華人民共和國企業破產法》), if La Chapelle Taicang fails to or does not implement its reorganisation scheme, the Court will order the termination of the implementation of the reorganisation scheme and declare the bankruptcy of La Chapelle Taicang upon the request of its administrator or its interested parties.
2. The Company will continue to monitor the progress of the above-mentioned matter. Further announcement(s) will be made by the Company as and when appropriate in a timely manner in accordance with the relevant provisions.

### IV. CONTINUED SUSPENSION OF TRADING

At the request of the Company, following the designation of the administrator for the Company's bankruptcy liquidation, trading in the shares of the Company on The Stock Exchange of Hong Kong Limited has been suspended with effect from 9:00 a.m. on 7 February 2023, and will remain suspended until further notice. The Company will publish further announcement(s) to inform the shareholders and potential investors of any material developments in connection with the suspension of trading as and when appropriate.

**Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.**

By Order of the Board  
**Xinjiang La Chapelle Fashion Co., Ltd.**  
**Mr. Zhao Jinwen**  
*Chairman*

Shanghai, the People's Republic of China  
24 July 2024

*As of the date of this announcement, the executive directors of the Company are Mr. Zhao Jinwen, Ms. Zhang Ying and Mr. Zhu Fengwei, the non-executive director of the Company is Ms. Wang Yan, the independent non-executive directors of the Company are Mr. Xing Jiangze, Ms. Chow Yue Hwa Jade and Ms. Yang Linyan.*

\* *For identification purpose only.*