

**Dated April 28, 2017**

**STAR CASTLE GLOBAL LIMITED**  
(星堡環球有限公司)

**AND**

**MUSE HOLDINGS-B INC.**

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**DEED OF IRREVOCABLE UNDERTAKING**

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**THIS DEED OF IRREVOCABLE UNDERTAKING** is made on April 28, 2017

**BETWEEN:**

- (1) **STAR CASTLE GLOBAL LIMITED** (星堡環球有限公司), a company incorporated in the British Virgin Islands with limited liability and having its registered office at Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, British Virgin Islands (the “**Shareholder**”); and
- (2) **MUSE HOLDINGS-B INC.**, a company incorporated in the Cayman Islands with limited liability and having its registered office at 89 Nexus Way, Camana Bay, P.O. Box 31106, Grand Cayman, KY1-1205, Cayman Islands (the “**Offeror**”).

**WHEREAS:**

- (A) Belle International Holdings Limited (the “**Company**”) is a company incorporated in the Cayman Islands whose issued Shares are currently listed on the Stock Exchange (stock code: 1880) with its registered office at Offshore Incorporation (Cayman) Limited, Floor 4, Willow House, Cricket Square, P.O. Box 2804, Grand Cayman KY1-1112, Cayman Islands and as at the date hereof 8,434,233,000 Shares have been issued and are fully paid up.
- (B) 75,000,000 Shares, representing approximately 0.89% of the issued share capital of the Company at the date hereof, are legally owned by the Shareholder.
- (C) The Offeror proposes to proceed with the Proposal and the Scheme substantially on the terms and conditions set out in the Announcement and the Scheme Document and otherwise as described in this Undertaking.
- (D) Upon the terms contained in this Undertaking, the Shareholder agrees to irrevocably undertake to exercise or procure the exercise of the voting rights attached to all of the Offeree Shares (i) to vote in favor of the Scheme at the Court Meeting; and (ii) if the Scheme is approved at the Court Meeting, to vote in favor of the resolutions at the EGM to approve and give effect to the Reduction and any resolutions proposed at the EGM to assist with the implementation of the Scheme or are necessary for the Scheme to become effective (including the ordinary resolution to approve the Management Participation (as defined in the Announcement)), in accordance with the terms and conditions set out in the Scheme Document.

**NOW IT IS HEREBY AGREED** as follows:

**1. DEFINITIONS AND INTERPRETATION**

- 1.1 In addition to the words and expressions defined elsewhere in this Undertaking, the following words and expressions have the following meanings:

“**Affiliate**” means: (i) in relation to an individual, that individual’s close relatives (being any spouse, child (including adopted child and step-child), parent or sibling of that individual), any person controlling, controlled by or under common control with such individual and/or such individual’s close relatives (acting singly or together) and any trust of which any such person is the settlor and/or a beneficiary; or (ii) in relation to any other person, any person controlling, controlled by or under common control with such particular person;

“**Announcement**” means the announcement to be published by, among others, the Offeror and the Company pursuant to Rule 3.5 of the Code in respect of the Proposal, substantially in the form contained in Schedule 4;

“**Applicable Laws**” means with respect to any person, any laws, rules, regulations, guidelines,

directives, treaties, judgments, decrees, orders or notices of any Authority that is applicable to such persons;

**“Authority”** means any relevant government, administrative, supervisory, judicial, determinative, disciplinary, enforcement or tax raising body, agency or regulatory body, or court, tribunal, arbitrator or governmental agency or authority or department (including any relevant securities exchange) and whether supranational, national, regional or local;

**“Authorization”** means any license, permit, consent, authorization, permission, clearance or approval of any Authority or any other person;

**“Code”** means, at any relevant time, the Hong Kong Code on Takeovers and Mergers in force at that time;

**“Companies Law”** means the Companies Law (2016 Revision) of the Cayman Islands;

**“Control”** (including the term **“Controlled by”**) in relation to a body corporate, means the power of a person to secure that the affairs of the body corporate are conducted in accordance with the wishes of that person: (i) by means of the holding of shares, or the possession of voting power, in each case of more than 50%, in or in relation to that body corporate; or (ii) by virtue of having the right to appoint or remove a majority of the members of or otherwise control the votes at the board of directors (or its equivalent) of that body corporate;

**“Court Hearing”** means the court hearing of the Grand Court to hear the petition to sanction the Scheme and confirm the Reduction;

**“Court Meeting”** means a meeting of certain shareholders of the Company convened at the direction of the Grand Court for the purpose of approving the Scheme;

**“Despatch Date”** means the date of despatch of the Scheme Document;

**“Directors”** mean the directors of the Company as at the date of this Undertaking;

**“Effective Date”** means the date on which the Scheme becomes effective under the Companies Law;

**“EGM”** means an extraordinary general meeting of the shareholders of the Company to be held promptly after the conclusion or adjournment of the Court Meeting to consider and approve, among other things, (i) the implementation of the Scheme; and (ii) the Reduction;

**“Encumbrance”** means any claim, mortgage, charge, pledge, lien, restriction, assignment, power of sale, hypothecation, security interest, title retention, trust arrangement, subordination arrangement, contractual right of set-off or any other agreement or arrangement the effect of which is the creation of security, or any other interest, equity or other right of any person (including any right to acquire, option, right of first refusal or right of pre-emption), or any agreement, arrangement or obligation to create any of the same and **“Encumber”** shall be construed accordingly;

**“Grand Court”** means the Grand Court of the Cayman Islands;

**“HK\$”** means the lawful currency of Hong Kong;

**“HKIAC”** means Hong Kong International Arbitration Center;

**“Hong Kong”** means the Hong Kong Special Administrative Region of the People’s Republic of China;

“**Listing Rules**” means the Rules Governing the Listing of Securities on the Stock Exchange;

“**Long Stop Date**” means October 16, 2017;

“**Loss**” or “**Losses**” means, in respect of any matter, event or circumstance, all actual losses, damages, dues, penalties, fines, interest, cost, disbursements, amounts paid in settlement, liabilities, obligations, taxes, liens, diminutions in value, expenses (including taxes) and fees (including, without limitation, arbitral tribunal costs and attorneys’ fees and expenses);

“**Notice**” means a notice to be given pursuant to the terms of this Undertaking, and shall be construed in accordance with Clause 13;

“**Offer**” means the offer made by the Offeror to the Shareholder for the acquisition of the Offeree Shares;

“**Offeree Shares**” means (i) the 75,000,000 Shares owned by the Shareholder specified in Schedule 1, (ii) any other Share which it may acquire on or after the date hereof and (iii) any other Shares attributable to or derived from the Shares referred to in (i) and (ii);

“**Parties**” means the named parties to this Undertaking and “**Party**” means any one of them;

“**Proposal**” means the proposal for the privatization of the Company by the Offeror to be effected by way of the Scheme;

“**Reduction**” means the proposed cancellation and extinguishment of the issued share capital of the Company in connection with the Scheme under the Companies Law;

“**Related Costs**” means, in relation to a claim under this Undertaking:

- (i) all charges, interests, and penalties, costs and expenses which are incurred by any Indemnitee (including, without prejudice to the generality of the foregoing, all reasonable legal and other professional fees and disbursements) in connection with or arising from any such claim, including charges, interests, penalties, costs and expenses arising from any such claim and incurred in connection with (a) the investigation, assessment and the contesting of any Loss; (b) the settlement of any Loss and/or (c) any legal proceeding in which any Indemnitee takes part under or in respect of any such claim; and
- (ii) to the extent not already covered in item (i) above, the reasonable expenses suffered or incurred by any Indemnitee in disputing, defending, investigating or providing evidence in connection with establishing the Shareholder’s liability to make a payment under this Undertaking in connection with such claims;

“**Representatives**” means in relation to any person, such person’s directors, officers, employees or professional advisers, and with respect to the Offeror, the Offeror’s and its Affiliate’s (including investment funds advised by its Affiliates and any Affiliates of such funds) respective directors, officers, employees, advisers, financing sources, investors, limited partners, insurers, direct and indirect shareholders or agents;

“**Scheme**” means a scheme of arrangement under section 86 of the Companies Law involving the cancellation of all the Shares that are subject to the Scheme;

“**Scheme Document**” means a composite scheme document (which shall contain the letter from the board of the Company) and the accompanying proxy forms and notice of EGM to be despatched by, among others, the Offeror and the Company to all the shareholders of the Company on the Despatch Date as required by the Code, containing, among other things, details of the Proposal and the Scheme;

“**SFC**” means the Securities and Futures Commission of Hong Kong;

“**SFO**” means the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);

“**Shares**” means the ordinary shares of HK\$0.01 each in the share capital of the Company;

“**Shareholder’s Warranties**” means the representations and warranties given by the Shareholder and contained in this Undertaking set out in Clause 5 and Schedule 2 and the expression “**Shareholder’s Warranty**” means any one of them;

“**Stock Exchange**” means The Stock Exchange of Hong Kong Limited;

“**Undertaking**” means this Deed of Irrevocable Undertaking as amended or varied from time to time; and

“**Warranties**” means the representations and warranties given by the Offeror and contained in this Undertaking set out in Clause 7 and Schedule 3 and the expression “**Warranty**” means any one of them.

- 1.2 References herein to statutory provisions shall be construed as references to those provisions as amended or re-enacted or as their application is modified by other provisions (whether before or after the date hereof) from time to time and shall include any provisions of which they are re-enactments (whether with or without modification).
- 1.3 References herein to Clauses and Schedules are to clauses in and schedules to this Undertaking unless the context requires otherwise and the Schedules to this Undertaking shall be deemed to form part of this Undertaking.
- 1.4 The expressions the “Shareholder” and the “Offeror” shall, where the context permits, include their respective successors and permitted assigns. For the avoidance of doubt, in the event of a merger of any of the Parties, the surviving entity of such Party shall be deemed to be the successor of such Party.
- 1.5 A “person” shall include any individual, firm, body corporate, unincorporated association, government, state or agency of state, association, joint venture or partnership, in each case whether or not having a separate legal personality. References to a company shall be construed so as to include any company, corporation or other body corporate wherever and however incorporated or established.
- 1.6 The headings are inserted for convenience only and shall not affect the construction of this Undertaking.
- 1.7 Unless the context otherwise requires, all words (whether gender-specific or gender neutral) shall be deemed to include each of the masculine, feminine and neuter genders, and words importing the singular include the plural and vice versa.
- 1.8 A document expressed to be “in the agreed terms” means a document the terms of which have been agreed by or on behalf of the Parties and a copy of which has been signed for the purposes of identification by or on behalf of those Parties.
- 1.9 The word “include” or “including” (or any similar term) are not to be construed as implying any limitation and general words introduced by the word other (or any similar term) shall not be given a restrictive meaning by reason of the fact that they are preceded by words indicating a particular class of acts, matters or things.
- 1.10 In this Undertaking, references to:

- (a) “**associate**” shall be interpreted in accordance with the SFO; and
- (b) “**business day**”, “**dealing**”, “**offer period**” and “**parties acting in concert**” shall be interpreted in accordance with the Code.

## 2. **OWNERSHIP OF SHARES**

The Shareholder hereby represents, warrants and undertakes as at the date hereof, on the Despatch Date and the Effective Date that:

- (a) the Shareholder is the registered holder of the Offeree Shares specified in Schedule 1 free and clear of all Encumbrances and the Offeree Shares have been properly allotted, issued and are fully paid up; and
- (b) save as set out in Schedule 1, the Shareholder is not interested in any other securities of the Company and does not have any rights to subscribe for, purchase or otherwise acquire any securities of the Company.

## 3. **IRREVOCABLE UNDERTAKING**

The Shareholder irrevocably undertakes to exercise or procure the exercise of the voting rights attached to all of the Offeree Shares (i) to vote in favor of the Scheme at the Court Meeting; and (ii) if the Scheme is approved at the Court Meeting, to vote in favor of the resolutions at the EGM to approve and give effect to the Reduction and any resolutions proposed at the EGM to assist with the implementation of the Scheme or are necessary for the Scheme to become effective (including the ordinary resolution to approve the Management Participation (as defined in the Announcement)), in accordance with the terms and subject to the conditions to be set out in the Scheme Document.

## 4. **DEALING RESTRICTIONS**

4.1 The Shareholder undertakes that it shall not, and shall procure that none of its Affiliates or the parties acting in concert with it shall, before the Effective Date (or if the Scheme or Reduction is not approved at the Court Meeting or the EGM, as the case may be, before the Court Meeting), and other than in connection with the Scheme or pursuant to Clause 3, directly or indirectly:

- (a) sell, transfer, charge, create or grant any option or otherwise dispose of (or permit any such action to occur in respect of) all or any of the Offeree Shares or any interest therein;
- (b) create or permit to subsist any Encumbrances over all or any of the Offeree Shares or any interest therein;
- (c) accept, or give any undertaking (whether conditional or unconditional) to accept, exercise voting rights attached to the Offeree Shares to approve or otherwise agree to, any offer, scheme of arrangement, merger or other business combination made or proposed to be made in respect of the Offeree Shares by any person other than the Offeror;
- (d) enter into any agreement in respect of the votes or other rights attached to any of the Offeree Shares (including entering into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences or incidents of ownership to such Offeree Shares or interest therein);

- (e) except with the prior written consent of the Offeror, purchase, acquire, subscribe for or otherwise deal in any Shares or other securities of the Company or any interest therein; or
- (f) enter into any discussion, negotiation, agreement or arrangement, incur any obligation or give any indication of intent (or permit such circumstances to occur):
  - (i) in relation to the Offeree Shares; or
  - (ii) to do all or any of the acts referred to in Clauses 4.1(a), (b), (c), (d) and (e) above,

or make available any information to any person (other than the Offeror and any other person authorized by the Offeror) in connection with the foregoing, and for the avoidance of doubt, references in this Clause 4.1(f) to any agreement, arrangement or obligation shall include any such agreement, arrangement or obligation whether or not legally binding or subject to any condition, or which is to take effect upon or following closing or lapsing of the Scheme, or upon or following this Undertaking ceasing to be binding, or upon or following any other event.

## 5. **SHAREHOLDER'S WARRANTIES AND LIMITATIONS OF LIABILITY**

- 5.1 The Shareholder represents and warrants to the Offeror that each of the Shareholder's Warranties:
- (a) is true and accurate in all respects and not misleading in any material respect as at the date of this Undertaking; and
  - (b) subject to this Undertaking not having been terminated, will be true and accurate in all respects and not misleading in any material respect at the Despatch Date and the Effective Date. For this purpose only, where in a Shareholder's Warranty there is an express or implied reference to the "date of this Undertaking", that reference is, subject to this Undertaking not having been terminated, to be construed as a reference to the Despatch Date or the Effective Date (as the case may be).
- 5.2 The Shareholder acknowledges that the Offeror is entering into this Undertaking and proceeding with the Proposal and the Scheme in reliance upon the Shareholder's Warranties.
- 5.3 Each of the Shareholder's Warranties is separate and independent and, save where expressly provided to the contrary, shall not be limited or restricted by reference to or inference from the terms of any other term of this Undertaking or any other Shareholder's Warranty.
- 5.4 Nothing in this Undertaking, shall limit or exclude the liability of the Shareholder to the extent such liability arises as a result of its own fraud or willful default.
- 5.5 The Shareholder hereby agrees to the extent permissible under Applicable Laws, to disclose promptly to the Offeror in writing upon becoming aware of the same any matter, event or circumstance (including any omission to act) which may arise or become known to the Shareholder after the date of this Undertaking up to and including the Effective Date which constitutes a breach of any of the Shareholder's Warranties if given at any time up to and including the Effective Date or which might make them untrue, inaccurate or misleading.
- 5.6 The rights and remedies of the Offeror in respect of a breach of any of the Shareholder's Warranties shall not be affected by completion of the Offer, by the giving of any time or other



indulgence by the Offeror to any person, or by any other cause whatsoever except as provided in this Undertaking or in a specific waiver or release by the Offeror in writing and any such waiver or release shall not prejudice or affect any remaining rights or remedies of the Offeror.

## 6. **INDEMNITIES**

The Shareholder shall, on demand, indemnify the Offeror and its Affiliates (including, after the Effective Date), and each of their respective officers, directors, employees, agents, representatives, successors and assigns (each an “**Indemnitee**”), and save and hold each of them harmless from and against, and pay on behalf of or reimburse any Indemnitee as and when incurred for, all Losses which any Indemnitee may suffer, sustain or become subject to as a result of:

- (a) any breach of any Shareholder’s Warranty (without prejudice to the rights of the Offeror to claim damages for breach of any Shareholder’s Warranty);
- (b) any non-performance by the Shareholder of any obligations to be performed by or on the part of the Shareholder under this Undertaking; and
- (c) any Related Costs arising in connection with this Clause 6.

## 7. **WARRANTIES**

The Offeror represents and warrants to the Shareholder that each of the Warranties set out in Schedule 3 is true, accurate and not misleading at the date of this Undertaking, the Despatch Date and the Effective Date, by reference to the facts and circumstances existing at such date. For this purpose only, where in a representation or warranty there is an express or implied reference to the “date of this Undertaking”, that reference is to be construed as a reference to the Despatch Date or the Effective Date (as the case may be).

## 8. **VOTING RIGHTS AND PREJUDICIAL ACTION**

8.1 Without prejudice to its obligations under Clauses 4 and 5, the Shareholder hereby irrevocably undertakes that:

- (a) the Shareholder shall not exercise any of the voting rights attached to the Offeree Shares held by it other than in accordance with this Undertaking;
- (b) the Shareholder shall exercise (or procure the exercise of) the voting rights attached to the Offeree Shares on any resolution which would assist implementation of the Proposal and the Scheme if it were passed or rejected at a general or other meeting of the shareholders of the Company in such a way which will facilitate implementation of the Proposal and the Scheme;
- (c) the Shareholder shall exercise (or procure the exercise of) the voting rights attached to the Offeree Shares against any resolution which (i) might prevent or delay implementation of the Proposal and the Scheme, or (ii) purports to approve or give effect to a proposal by a person other than the Offeror, to acquire (or have issued to it) any Offeree Shares, as the case may be (in each case whether by way of offer, scheme of arrangement or otherwise);
- (d) the Shareholder shall not make any offer to acquire the whole or any part of the issued share capital of the Company nor permit any company in which the Shareholder, directly or indirectly, has any interest to make such an offer;

- (e) the Shareholder shall not, directly or indirectly, enter into any agreement or arrangement with any person whether conditionally or otherwise, to do any of the acts referred to in this Clause 8; and
  - (f) except to the extent required under the Code, the Listing Rules or any Applicable Laws, it shall not take any action or make any statement which may have the effect of preventing or delaying, disrupting or otherwise causing the Scheme not to become effective at the earliest practicable time or at all, or which is or may be prejudicial to the success of the Scheme.
- 8.2 The Shareholder hereby undertakes that it shall not approve any frustrating action (as such term is defined pursuant to Rule 4 of the Code) proposed by the board of the Company.

## 9. **CONSENTS**

9.1 Each of the Parties agrees to:

- (a) the issue of the Announcement with references to the Shareholder, its associates and/or parties acting in concert with it and to details of this Undertaking;
  - (b) details of this Undertaking being set out in any other announcements in respect of the Scheme and in the Scheme Document; and
  - (c) this Undertaking being available for inspection during the offer period under the Code.
- 9.2 The Shareholder shall give the Offeror all information and assistance as the Offeror may reasonably require:
- (a) for the purposes of preparing the Announcement, the Scheme Document and all related and ancillary documents and announcements; and
  - (b) in order to comply with the requirements of the Code, the Listing Rules and other Applicable Laws in relation to the Proposal and the Scheme and any related matters, and shall immediately notify the Offeror in writing of any material change in the accuracy of any such information and consent to the public disclosure, if required, of such information.

## 10. **ANNOUNCING THE PROPOSAL AND THE SCHEME**

- 10.1 For the avoidance of doubt, nothing in this Undertaking shall oblige the Offeror to announce or proceed with the Proposal and the Scheme. The obligations of the Shareholder under this Undertaking will cease and terminate if the Announcement is not released by a date falling ten (10) business days after the date of this Undertaking.
- 10.2 The Shareholder and the Offeror acknowledge that until the Announcement is released, the fact that the Proposal and Scheme is under consideration is inside information and must be treated in the strictest confidence, a breach of which, or any dealing in securities of the Company, could constitute a civil and/or criminal offence under the insider dealing and/or market abuse provisions of the SFO and liable to sanction by the courts of Hong Kong.
- 10.3 If, in the course of implementing the Scheme, the Offeror revises the terms of the Scheme, this Undertaking will extend to any revised or improved offer and all references to the "Scheme" in this Undertaking shall be construed accordingly.

10.4 The Offeror undertakes that, after the Announcement is released, it will procure the implementation of the Proposal and the Scheme as contemplated in the Announcement in accordance with the Code and all Applicable Laws.

## 11. **CONFIDENTIALITY**

11.1 Save with the prior written consent of the other Parties, each Party shall keep secret and at all times treat and cause to be treated as confidential the possibility, terms and conditions of the Proposal and the Scheme and any related matters and the existence and terms of this Undertaking until the Announcement is released, provided that nothing in this Clause 11 shall restrict the disclosure of information by or on behalf of any Party: (a) if required by Applicable Laws or the requirements of the SFC or the Stock Exchange or any other Authority; (b) to any Authority on a confidential basis for the purpose of applying for any tax reporting matters or obtaining any Authorizations required in relation to the Proposal and the Scheme; or (c) to a Party's Representatives on a need to know and strictly confidential basis, provided that such Representative (i) is under a similar obligation of confidentiality; or (ii) is otherwise under a binding professional obligation of confidentiality.

11.2 Without prejudice to Clause 11.1, the Shareholder shall, and procure its Representatives shall, at all times treat and cause to be treated as confidential any information provided by the Offeror or its Representatives.

## 12. **TERMINATION**

12.1 This Undertaking shall terminate immediately if:

- (a) the Announcement fails to be published in accordance with Clause 10.1;
- (b) the Proposal and the Scheme is otherwise not implemented by the Long Stop Date;
- (c) the Scheme is not approved at the Court Meeting;
- (d) the Reduction is not approved at the EGM; or
- (e) at the Court Hearing, the Grand Court does not sanction the Scheme or confirm the Reduction.

12.2 In the event of the termination of this Undertaking in accordance with its terms, this Undertaking shall terminate in all respects with immediate effect, and no Party shall have any claim under this Undertaking against any other Party, save that:

- (a) the provisions of Clauses 1, 6 and 11 to 16 shall continue to apply in full force and effect thereafter; and
- (b) such termination shall be without prejudice to a Party's accrued rights and remedies, obligations and liabilities under this Undertaking as at the date of such termination.

## 13. **NOTICES**

13.1 A Notice under or in connection with this Undertaking shall be:

- (a) in writing and in English; and
- (b) delivered personally, sent by fax with confirmation receipt followed by mail posted within 24 hours or sent by courier to the Party due to receive the Notice at the facsimile

number or address referred to in Clause 13.2 or such other facsimile number or address as a Party may specify by notice in writing to the other Party received before the Notice was despatched.

13.2 For the purposes of this Clause 13, a Notice shall be sent to the facsimile numbers or addresses and for the attention of those persons set out below:

(a) in the case of the Shareholder:

Address: 9/F., Belle Tower, 918 Cheung Sha Wan Road, Cheung Sha Wan,  
Kowloon, Hong Kong  
Fax Number: +852 2212 3623  
Attention: Mr. K K Leung

(b) in the case of the Offeror:

Address: Sam Zhang & Co., Suite 1605, Jardine House, 1 Connaught Place,  
Central, Hong Kong  
Fax Number: +852 2117 0908  
Attention: Michael Cheung

or to such other address or facsimile number as the relevant Party may have notified to the other Party by not less than seven (7) days' written notice to the other Party before the Notice was despatched.

13.3 Unless there is evidence that it was received earlier, a Notice is deemed given if:

- (a) delivered personally, when left at the address referred to in Clause 13.2;
- (b) sent by courier, two (2) business days after posting it; or
- (c) sent by fax, when confirmation of its transmission has been recorded on the sender's fax machine.

#### 14. GENERAL

14.1 Time is of the essence. Any date, time or period referred to in this Undertaking shall be of the essence except to the extent to which the Shareholder and the Offeror agree in writing to vary any date, time or period, in which event the varied date, time or period shall be of the essence.

14.2 Independent advice. The Shareholder has been given an opportunity to consider whether or not it should give this Undertaking and has received independent advice about the nature of this Undertaking.

14.3 Specific performance and other equitable relief. Each Party agrees that damages would not be an adequate remedy for breach of this Undertaking and acknowledges that the other Party may be entitled to seek remedies of specific performance and other equitable relief for breach of this Undertaking.

14.4 Costs. Each Party shall be responsible for its own costs and expenses (including legal fees and transaction costs) in relation to the preparation, execution and performance of this Undertaking.

14.5 Entire agreement. This Undertaking constitutes the entire agreement and supersedes any previous agreements (if any) between the Parties relating to the subject matter of this

Undertaking. Nothing in this Clause 14.5 excludes liability for fraud or fraudulent misrepresentation.

- 14.6 Variation. A variation of this Undertaking is only valid if it is in writing and signed by or on behalf of each Party.
- 14.7 Further Assurance. Each of the Parties undertakes to the other Party that it will to take all such action or procure that all such action is taken as is reasonable in order to implement the terms of this Undertaking or any transaction, matter or thing contemplated by this Undertaking.
- 14.8 Successors and assigns. This Undertaking shall enure for the benefit of each Party's successors but the benefit of any provision in this Undertaking may not be assigned by any Party or its successors in title without the prior written consent of the other Parties.
- 14.9 Illegality and unenforceability. The illegality, invalidity or unenforceability of any part of this Undertaking shall not affect the legality, validity or enforceability of any other part of this Undertaking.
- 14.10 Counterparts. This Undertaking may be executed in any number of counterparts, each of which when executed and delivered is an original and all of which together evidence the same instrument.

## 15. **WAIVER**

- 15.1 No delay or omission by any Party in exercising any right, power or remedy provided by Applicable Laws or under this Undertaking or any other documents referred to in it shall:
- (a) affect that right, power or remedy; or
  - (b) operate as a waiver thereof.
- 15.2 The single or partial exercise of any right, power or remedy provided by Applicable Laws or under this Undertaking shall not preclude any other or further exercise thereof or the exercise of any other right, power or remedy.
- 15.3 Except as otherwise provided in this Undertaking, the rights, powers and remedies provided in this Undertaking are cumulative and not exclusive of any rights, powers and remedies provided by Applicable Laws.
- 15.4 For the avoidance of doubt, the Parties agree that no deed, agreement, arrangement or undertaking between the Company and the Offeror in relation to the Proposal and the Scheme shall prejudice or affect any remedies available to each Party (including its right to seek remedies of specific performance and other equitable relief) for breach of this Undertaking.

## 16. **GOVERNING LAW AND ARBITRATION**

- 16.1 This Undertaking and any dispute or claim arising out of or in connection with its or its subject matter shall be governed by, and construed in accordance with, the laws of Hong Kong.
- 16.2 Any dispute, controversy, claim, actions and proceedings arising out of, relating to or in connection with this Undertaking or its subject matter (including a dispute regarding the existence, validity, formation, effect, interpretation, performance or termination of this Undertaking) (a "**Dispute**") shall be referred to and finally resolved by arbitration.
- 16.3 The arbitration shall be conducted as follows:

- (a) the place of arbitration shall be in Hong Kong at the HKIAC;
- (b) the arbitration proceedings shall be conducted in English;
- (c) the UNCITRAL Arbitration Rules in accordance with the HKIAC Procedures for the Administration of International Arbitration in force as at the date of this Undertaking (as may be amended by this Undertaking) shall apply;
- (d) there shall be three (3) arbitrators for any such arbitration. The submitting Party shall nominate one (1) arbitrator, and the responding Party shall nominate one (1) arbitrator, in each case, within 30 days after the submission of the Arbitration Notice. Both arbitrators shall agree on the third arbitrator within 30 days thereafter. Should either Party fail to appoint an arbitrator within such 30 day period or should the two (2) arbitrators fail, within such 30 day period, to reach agreement on the third arbitrator, such arbitrator(s) shall be appointed by the HKIAC;
- (e) an award by the HKIAC shall be final and conclusive and binding upon the Parties and the Parties waive irrevocably any rights to any form of appeal, review or recourse;
- (f) the Parties shall have the right to seek interim injunctive relief or other interim relief from a court of competent jurisdiction, both before and after the arbitral tribunal has been appointed, at any time up until arbitral tribunal has made its final award; and
- (g) judgment upon the award rendered may be entered in any court having jurisdiction and the Parties submit to the non-exclusive jurisdiction of the Hong Kong courts for this purpose.

16.4 The Parties agree that the documents which start any proceedings and any other documents required to be served in relation to those proceedings may be served on the relevant Party in accordance with Clause 16. These documents may, however, be served in any other manner allowed by Applicable Laws.

**SCHEDULE 1**  
**OFFEREE SHARES AS AT THE DATE OF THIS UNDERTAKING**

<b>Beneficial owner</b>	<b>No. of ordinary shares in the Company</b>	<b>Percentage of the total issued share capital of the Company</b>	<b>Exact name of registered holder as appearing on the register of members of the Company</b>
Sheng Baijiao	75,000,000	0.89%	Star Castle Global Limited

## **SCHEDULE 2**

### **SHAREHOLDER'S WARRANTIES**

#### **1.1 Due incorporation**

The Shareholder is duly incorporated and validly existing under the laws of its place of incorporation.

#### **1.2 Capacity and authority**

- (a) The Shareholder has the full power, authority and capacity to enter into and perform its obligations under this Undertaking.
- (b) The Shareholder has taken all corporate action required to unconditionally authorize it to enter into and perform its obligations under this Undertaking.

#### **1.3 Binding obligations**

This Undertaking (when executed) constitutes valid, binding and enforceable obligations on the Shareholder, enforceable in accordance with its terms (except as such enforceability may be limited under applicable bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium or similar laws of general applicability relating to or affecting creditors' rights and to general equitable principles).

#### **1.4 No default**

The execution, delivery of and performance by the Shareholder of its obligations under this Undertaking does not and will not, and this Undertaking does not and will not conflict with, or constitute a default or breach under any provision of:

- (a) its memorandum or articles of association (or equivalent constitutional documents);
- (b) any order, judgment, decree or regulation or any other restriction of any kind by which it is bound or submits to; or
- (c) any agreement, instrument or contract to which it is a party or by which it is bound.

#### **1.5 Consent**

The execution, delivery of and performance by the Shareholder of its obligations under this Undertaking will not require the Shareholder to obtain any consent or approval of, or give any notice to or make any registration with any Authority which has not been obtained or made at the date of this Undertaking both on an unconditional basis and on a basis which cannot be revoked (save pursuant to any legal or regulatory requirement to revoke the same other than by reason of any misrepresentation or misstatement).

#### **1.6 Offeree Shares**

The Offeree Shares:

- (a) have been properly and validly allotted and issued; and
- (b) are each fully paid or credited as fully paid.



### **SCHEDULE 3 WARRANTIES**

The Offeror represents and warrants to the Shareholder that:

- 1.1 it is duly incorporated and validly existing under the laws of its place of incorporation;
- 1.2 it has the full power, authority and capacity to enter into and perform its obligations under this Undertaking;
- 1.3 it has taken all corporate action required to unconditionally authorize it to enter into and perform its obligations under this Undertaking;
- 1.4 this Undertaking (when executed) constitutes valid, binding and enforceable obligations on it, enforceable in accordance with its terms (except as such enforceability may be limited under applicable bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium or similar laws of general applicability relating to or affecting creditors' rights and to general equitable principles);
- 1.5 the execution, delivery of and performance by it of its obligations under this Undertaking does not and will not, and this Undertaking does not and will not conflict with, or constitute a default or breach under any provision of:
  - (a) its memorandum or articles of association (or equivalent constitutional documents);
  - (b) any order, judgment, decree or regulation or any other restriction of any kind by which it is bound or submits to; or
  - (c) any agreement, instrument or contract to which it is a party or by which it is bound; and
- 1.6 the execution, delivery of and performance by it of its obligations under this Undertaking will not require it to obtain any consent or approval of, or give any notice to or make any registration with any Authority which has not been obtained or made at the date of this Undertaking both on an unconditional basis and on a basis which cannot be revoked (save pursuant to any legal or regulatory requirement to revoke the same other than by reason of any misrepresentation or misstatement).

**SCHEDULE 4**  
**THE ANNOUNCEMENT**

*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.*

*This announcement appears for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for securities of the Offeror or the Company nor is it a solicitation of any vote or approval in any jurisdiction, nor shall there be any sale, issuance or transfer of securities of the Company or of the Offeror in any jurisdiction in contravention of applicable law.*

*Not for release, publication or distribution, in whole or in part, in, into or from any jurisdiction where to do so would constitute a violation of the relevant laws or regulations of such jurisdiction.*

**Muse Holdings-B Inc.**  
*(Incorporated in the Cayman  
Islands as an exempted  
company with limited liability)*

**BELLE** 百麗  
**BELLE INTERNATIONAL HOLDINGS LIMITED**  
百麗國際控股有限公司  
(Incorporated in the Cayman Islands with limited liability)  
(Stock code: 1880)

## **JOINT ANNOUNCEMENT**

### **(1) PROPOSAL FOR THE PRIVATIZATION OF BELLE INTERNATIONAL HOLDINGS LIMITED BY THE OFFEROR BY WAY OF A SCHEME OF ARRANGEMENT UNDER SECTION 86 OF THE COMPANIES LAW**

### **(2) APPOINTMENT OF THE INDEPENDENT FINANCIAL ADVISER TO THE INDEPENDENT BOARD COMMITTEE**

### **(3) PROPOSED WITHDRAWAL OF LISTING OF BELLE INTERNATIONAL HOLDINGS LIMITED**

### **(4) RESUMPTION OF TRADING IN THE SHARES OF BELLE INTERNATIONAL HOLDINGS LIMITED**

**Financial Adviser to the Offeror**

**Bank of America**   
**Merrill Lynch**

**Independent Financial Adviser to the Independent Board Committee**

**ANGLO CHINESE**   
CORPORATE FINANCE, LIMITED

On 17 April 2017, the Offeror requested the Board to put forward to the Scheme Shareholders the Proposal which, if approved and implemented, will result in the Company being privatized by the Offeror and the withdrawal of listing of the Shares on the Stock Exchange. The Proposal will be implemented by way of a scheme of arrangement under Section 86 of the Companies Law. Upon the Scheme becoming effective, (i) the Scheme Shares held by the Disinterested Shareholders will be cancelled in exchange for the Cancellation Consideration in cash; (ii) the Scheme Shares held by the WMVL Shareholders will be cancelled in consideration for the WMVL Cancellation Consideration; and (iii) the New Shares will be issued as fully paid or credited as fully paid to the Offeror.

Following the Scheme becoming effective, pursuant to the Rollover Agreement, the Rollover Shares will be transferred to the Offeror in consideration for an aggregate of 1,017,341,192 shares to be issued by WMVL to the Participating Management Shareholders credited as fully paid at the Cancellation Consideration Price.

Upon the completion of the Scheme and the transfer of the Rollover Shares pursuant to the Rollover Agreement, the Company will become wholly-owned by the Offeror.

The Cancellation Consideration Price of HK\$6.30 in cash for every Scheme Share cancelled under the Scheme represents:

- (a) a premium of approximately 19.54% over the closing price of HK\$5.2700 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (b) a premium of approximately 23.34% over the average closing price of approximately HK\$5.1080 per Share based on the daily closing prices as quoted on the Stock Exchange for the 5 trading days up to and including the Last Trading Day;
- (c) a premium of approximately 23.60% over the average closing price of approximately HK\$5.0970 per Share based on the daily closing prices as quoted on the Stock Exchange for the 10 trading days up to and including the Last Trading Day;
- (d) a premium of approximately 21.47% over the average closing price of approximately HK\$5.1863 per Share based on the daily closing prices as quoted on the Stock Exchange for the 30 trading days up to and including the Last Trading Day;
- (e) a premium of approximately 28.38% over the average closing price of approximately HK\$4.9073 per Share based on the daily closing prices as quoted on the Stock Exchange for the 90 trading days up to and including the Last Trading Day;

- (f) a premium of approximately 12.50% over the 52-week closing high of HK\$5.6000 per Share as quoted on the Stock Exchange;
- (g) a premium of approximately 77.19% over the unaudited net asset value per Share attributable to the Shareholders of approximately RMB3.1409 as at 31 August 2016, based on a RMB to HK\$ exchange rate of RMB0.88339 to HK\$1 (being the exchange rate as quoted by the People's Bank of China on the Last Trading Day); and
- (h) a price to earnings ratio of 18.71 times based on the profit attributable to the Company's equity holders of approximately RMB2,509 million for the twelve months ended 31 August 2016, based on a RMB to HK\$ exchange rate of RMB0.88339 to HK\$1 (being the exchange rate as quoted by the People's Bank of China on the Last Trading Day).

The Cancellation Consideration Price per Scheme Share, subject to any Dividend Arrangement, does not include any dividend to be declared by the Company (subject to the approval of the Shareholders, if applicable) after the date of this announcement and prior to the Scheme becoming effective. If the record date for determining entitlement to such dividend is before the record date for the Scheme, such amount will be retained by the Shareholders. To the extent that any dividend to be declared by the Company (which is approved by the Shareholders) exceeds RMB0.06 (which was the amount of the final dividend paid in the preceding financial year) per Share, such additional amount will be deducted from the Cancellation Consideration Price per Scheme Share.

**The Offeror will not increase the Cancellation Consideration Price. Shareholders and potential investors should be aware that, following the making of this statement, the Offeror will not be allowed to increase the Cancellation Consideration Price. The Offeror does not reserve the right to increase the Cancellation Consideration Price.**

On 28 April 2017, each of the WMVL Shareholders has given an irrevocable undertaking in favor of the other Joint Offerors and the Offeror, pursuant to which each of them has irrevocably undertaken to agree to the cancellation of the Shares held by them under the Scheme in consideration for the WMVL Cancellation Consideration. On 28 April 2017, each of MCIL, SCGL and BRVL has given an irrevocable undertaking to the Offeror and the Joint Offerors that, among other things, (i) it will vote in favor of the Scheme at the Court Meeting; and (ii) if the Scheme is approved at the Court Meeting, it will vote in favor of the resolutions to be proposed at the General Meeting to approve and give effect to the reduction of the share capital of the Company, and any resolutions proposed at a general meeting of the Company which would assist the implementation of the Scheme or are necessary for the Scheme to become effective (including the ordinary resolution to approve the Management Participation).

The implementation of the Proposal is, and the Scheme will become effective and binding on the Company and the Scheme Shareholders, subject to the fulfilment or waiver (as applicable) of the Conditions as described in the section headed "*Conditions to the Scheme*" below. All of the above Conditions will have to be fulfilled or waived, as applicable, on or before the Long Stop Date (or such later date as the Offeror and the Company may agree or, to the extent applicable, as the Executive may consent and the Grand Court may direct), failing which the Proposal and the Scheme will lapse. The Company has no right to waive any of the Conditions.

As at the date of this announcement, the Disinterested Shareholders are holders of an aggregate of 7,192,291,808 Shares, representing approximately 85.28% of the total issued Shares, and they are entitled to vote at the Court Meeting. Each of the WMVL Shareholders, *in lieu* of a meeting of themselves to approve the Scheme, will undertake to the Grand Court to be bound by the Scheme and to receive the WMVL Cancellation Consideration in consideration for cancellation of their Shares under the Scheme. Each of the Offeror and WMVL will also undertake to the Grand Court to be bound by the Scheme.

All Shareholders are entitled to vote on the special resolution to be proposed at the General Meeting to approve and give effect to the reduction of the share capital of the Company and the implementation of the Scheme. Pursuant to the Irrevocable Undertakings, if the Scheme is approved at the Court Meeting, each of the WMVL Shareholders, MCIL, SCGL and BRVL will vote in favor of the special resolution to be proposed at the General Meeting to approve and give effect to the Scheme, including the approval of the reduction of the issued share capital of the Company by cancelling and extinguishing the Scheme Shares and of the issue to the Offeror of the New Shares.

The Offeror intends to finance the cash requirement for the Proposal through (i) a drawdown of debt facilities with an aggregate amount of HK\$28,000 million provided by Bank of America, N.A.; and (ii) an aggregate cash investment of HK\$17,311,438,390 by the Equity Investors Group. The Acquisition Financing is secured by, among others, equitable mortgages and charges over (a) all shares in the Offeror granted by Holdco; and (b) all of the Shares in the Company owned by the Offeror from time to time. BofAML, the financial adviser to the Offeror, is satisfied that sufficient financial resources are available to the Offeror for discharging its obligations in respect of the full implementation of the Proposal in accordance with its terms.

As the Management Participation arrangements under (i) the Consortium Agreement entered into by the Executive Management Group; and (ii) the Rollover Agreement entered into by the relevant Participating Management Shareholders are not offered to all Shareholders, the Management Participation requires the consent of the Executive under Note 3 to Rule 25 of the Takeovers Code. The Offeror and the Joint Offerors will make an application for consent from the Executive in relation to the Management Participation conditional on the Independent Financial Adviser to the Independent Board Committee confirming that the Management Participation is fair and reasonable, and the passing of an ordinary resolution by the Independent Shareholders at the General Meeting to approve the Management Participation. Accordingly, as set out in Condition (h), the Proposal and the Scheme are subject to: (i) the receipt of an opinion from the Independent Financial Adviser to the Independent Board Committee confirming that the Management Participation is fair and reasonable; (ii) the passing of an ordinary resolution by the Independent Shareholders at the General Meeting to approve the Management Participation under the Takeovers Code; and (iii) the consent from the Executive to the Management Participation.

#### **WITHDRAWAL OF LISTING OF THE SHARES**

Upon the Scheme becoming effective, all the Scheme Shares will be cancelled and the share certificates for the Scheme Shares will thereafter cease to have effect as documents or evidence of title. The Company will make an application for the listing of the Shares to be withdrawn from the Stock Exchange in accordance with Rule 6.15 of the Listing Rules, with effect immediately following the Effective Date.

#### **INDEPENDENT BOARD COMMITTEE**

An Independent Board Committee, which comprises of Mr. HO Kwok Wah, George, Mr. CHAN Yu Ling, Abraham, Dr. XUE Qiuzhi and Mr. GAO Yu, being all the independent non-executive Directors, has been established by the Board to advise the Independent Shareholders in connection with the Proposal and in particular as to whether (i) the Proposal, the Scheme and the Management Participation are, or are not, fair and reasonable; and (ii) to vote in favor of the Scheme at the Court Meeting and the Proposal at the General Meeting.

#### **APPOINTMENT OF THE INDEPENDENT FINANCIAL ADVISER TO THE INDEPENDENT BOARD COMMITTEE**

The Board, with the approval of the Independent Board Committee, has appointed Anglo Chinese Corporate Finance, Limited as the independent financial adviser to advise the Independent Board Committee in connection with the Proposal and the Scheme pursuant to Rule 2.1 of the Takeovers Code and the Management Participation.

## **DESPATCH OF SCHEME DOCUMENT**

The Scheme Document containing, among other things, further details of the Proposal, the Scheme, the Management Participation, the expected timetable, an explanatory statement as required under the Companies Law and the rules of the Grand Court, information regarding the Company, the recommendations of the Independent Board Committee with respect to the Proposal, the Scheme, the Management Participation, the letter of advice from the Independent Financial Adviser, notices of the Court Meeting and the General Meeting as well as other particulars required by the Takeovers Code will be despatched to the Scheme Shareholders as soon as practicable and in compliance with the requirements of the Takeovers Code, the Companies Law, the rules of the Grand Court, the orders of the Grand Court and other applicable laws and regulations.

## **SUSPENSION AND RESUMPTION OF TRADING IN THE SHARES**

At the request of the Company, trading in the Shares on the Stock Exchange was suspended from 9:00 a.m. on 18 April 2017 pending the release of this announcement. An application has been made by the Company to the Stock Exchange for a resumption of trading in the Shares with effect from 9:00 a.m. on 2 May 2017.

**Shareholders and potential investors should be aware that the implementation of the Proposal and the Scheme is subject to the Conditions being fulfilled or waived, as applicable, and thus the Proposal may or may not be implemented, and the Scheme may or may not become effective. Accordingly, Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company. Persons who are in doubt as to the action they should take should consult their stockbroker, bank manager, solicitor or other professional advisers.**

*This announcement is not intended to and does not constitute, or form part of, any offer to sell or subscribe for or an invitation to purchase or subscribe for any securities or the solicitation of any vote or approval in any jurisdiction pursuant to the Proposal or otherwise, nor shall there be any sale, issuance or transfer of securities of the Company or of the Offeror in any jurisdiction in contravention of applicable law. The Proposal will be made solely through the Scheme Document, which will contain the full terms and conditions of the Proposal, including details of how to vote on the Proposal. Any acceptance, rejection or other response to the Proposal should be made only on the basis of information in the Scheme Document or any other document by which the Proposal is made.*

*The availability of the Proposal to persons who are not resident in Hong Kong may be affected by the laws of the relevant jurisdictions in which they are located or of which they are citizens. Persons who are not resident in Hong Kong should inform themselves about, and observe, any applicable legal or regulatory requirements of their jurisdictions. Further details in relation to overseas Shareholders will be contained in the Scheme Document.*



## THE SCHEME

### INTRODUCTION

On 17 April 2017, the Offeror requested the Board to put forward to the Scheme Shareholders the Proposal which, if approved and implemented, will result in the Company being privatized by the Offeror and the withdrawal of listing of the Shares on the Stock Exchange. The Proposal will be implemented by way of a scheme of arrangement under Section 86 of the Companies Law. Upon the Scheme becoming effective, (i) the Scheme Shares held by the Disinterested Shareholders will be cancelled in exchange for the Cancellation Consideration in cash; (ii) the Scheme Shares held by the WMVL Shareholders will be cancelled in consideration for the WMVL Cancellation Consideration; and (iii) the New Shares will be issued as fully paid or credited as fully paid to the Offeror.

Following the Scheme becoming effective, pursuant to the Rollover Agreement, the Rollover Shares will be transferred to the Offeror in consideration for an aggregate of 1,017,341,192 shares to be issued by WMVL to the Participating Management Shareholders credited as fully paid at the Cancellation Consideration Price.

Upon the completion of the Scheme and the transfer of the Rollover Shares pursuant to the Rollover Agreement, the Company will become wholly-owned by the Offeror.

### 1. THE PROPOSAL

Under the Proposal, if the Scheme becomes effective, the Disinterested Shareholders will receive from the Offeror the Cancellation Consideration in cash for every Scheme Share cancelled and the WMVL Shareholders will receive, for each of their Scheme Shares cancelled, the WMVL Cancellation Consideration.

#### Comparison of value

The Cancellation Consideration Price of HK\$6.30 in cash for every Scheme Share cancelled under the Scheme represents:

- (a) a premium of approximately 19.54% over the closing price of HK\$5.2700 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (b) a premium of approximately 23.34% over the average closing price of approximately HK\$5.1080 per Share based on the daily closing prices as quoted on the Stock Exchange for the 5 trading days up to and including the Last Trading Day;
- (c) a premium of approximately 23.60% over the average closing price of approximately HK\$5.0970 per Share based on the daily closing prices as quoted on the Stock Exchange for the 10 trading days up to and including the Last Trading Day;

- (d) a premium of approximately 21.47% over the average closing price of approximately HK\$5.1863 per Share based on the daily closing prices as quoted on the Stock Exchange for the 30 trading days up to and including the Last Trading Day;
- (e) a premium of approximately 28.38% over the average closing price of approximately HK\$4.9073 per Share based on the daily closing prices as quoted on the Stock Exchange for the 90 trading days up to and including the Last Trading Day;
- (f) a premium of approximately 12.50% over the 52-week closing high of HK\$5.6000 per Share as quoted on the Stock Exchange;
- (g) a premium of approximately 77.19% over the unaudited net asset value per Share attributable to the Shareholders of approximately RMB3.1409 as at 31 August 2016, based on a RMB to HK\$ exchange rate of RMB0.88339 to HK\$1 (being the exchange rate as quoted by the People's Bank of China on the Last Trading Day); and
- (h) a price to earnings ratio of 18.71 times based on the profit attributable to the Company's equity holders of approximately RMB2,509 million for the twelve months ended 31 August 2016, based on a RMB to HK\$ exchange rate of RMB0.88339 to HK\$1 (being the exchange rate as quoted by the People's Bank of China on the Last Trading Day).

The Cancellation Consideration Price has been determined on a commercial basis after taking into account, among other things, the challenging operating environment facing the Company, the significant investment required to reinvigorate the financial performance of the Company, the prices of the Shares traded on the Stock Exchange, the historical and current trading multiples of comparable companies listed on the Stock Exchange and with reference to other privatization transactions in Hong Kong in recent years.

The Cancellation Consideration Price per Scheme Share, subject to any Dividend Arrangement, does not include any dividend to be declared by the Company (subject to the approval of the Shareholders, if applicable) after the date of this announcement and prior to the Scheme becoming effective. If the record date for determining entitlement to such dividend is before the record date for the Scheme, such amount will be retained by the Shareholders. To the extent that any dividend to be declared by the Company (which is approved by the Shareholders) exceeds RMB0.06 (which was the amount of the final dividend paid in the preceding financial year) per Share, such additional amount will be deducted from the Cancellation Consideration Price per Scheme Share (the "**Dividend Arrangement**").

**The Offeror will not increase the Cancellation Consideration Price. Shareholders and potential investors should be aware that, following the making of this statement, the Offeror will not be allowed to increase the Cancellation Consideration Price. The Offeror does not reserve the right to increase the Cancellation Consideration Price.**

## **2. IRREVOCABLE UNDERTAKINGS**

### **(a) The WMVL Shareholders Irrevocable Undertakings**

On 28 April 2017, each of the WMVL Shareholders has given an irrevocable undertaking in favor of the other Joint Offerors and the Offeror, pursuant to which each of them has irrevocably undertaken to implement the cancellation of the Shares held by them under the Scheme in consideration for the WMVL Cancellation Consideration.

Each of the WMVL Shareholders has also irrevocably undertaken to the other Joint Offerors and Offeror that, among other things, (i) to the extent permitted under applicable laws, it will vote in favor of the resolutions to be proposed at the General Meeting to approve and give effect to the reduction of the share capital of the Company and any resolutions proposed at the General Meeting to assist the implementation of the Scheme or are necessary for the Scheme to become effective; (ii) to otherwise support the Scheme and provide such undertakings to the Grand Court as are appropriate and necessary for the Scheme to be approved; and (iii) it shall not: (x) sell, transfer, charge, mortgage, encumber, create or grant any option over or otherwise dispose of any interest in any of the Shares owned by it; (y) accept or give any undertaking to accept any other offer in respect of all or any of such Shares; or (z) purchase or acquire any Shares other than with the consent of the Offeror.

As at the date of this announcement, (i) the WMVL Shareholders hold in aggregate 224,600,000 Shares (of which 185,625,000 Shares are held by SSL and 38,975,000 Shares are held by SBL), representing approximately 2.66% of the total issued share capital of the Company; and (ii) the WMVL Shareholders hold in aggregate 224,600,000 WMVL Shares (of which 185,625,000 WMVL Shares are held by SSL and 38,975,000 WMVL Shares are held by SBL), representing 100% of the total issued share capital of WMVL. Upon the Scheme becoming effective, the WMVL Shareholders will receive the WMVL Cancellation Consideration, being the crediting of their WMVL Shares as fully paid in the amount of the Cancellation Consideration Price per WMVL Share.

**(b) The Certain Disinterested Shareholders Irrevocable Undertakings**

On 28 April 2017, each of MCIL, SCGL and BRVL has given an irrevocable undertaking to the Offeror and the Joint Offerors that, among other things, (i) it will vote in favor of the Scheme at the Court Meeting; (ii) if the Scheme is approved at the Court Meeting, it will vote in favor of the resolutions to be proposed at the General Meeting to approve and give effect to the reduction of the share capital of the Company, and any resolutions proposed at a general meeting of the Company which would assist the implementation of the Scheme or are necessary for the Scheme to become effective (including the ordinary resolution to approve the Management Participation); and (iii) it shall not: (x) sell, transfer, charge, mortgage, encumber, create or grant any option over or otherwise dispose of any interest in any of the Shares owned by it; (y) accept or give any undertaking to accept any other offer in respect of all or any of such Shares; or (z) purchase or acquire any Shares other than with the consent of the Offeror.

As at the date of this announcement, MCIL, SCGL and BRVL hold 1,751,125,000 Shares, 75,000,000 Shares and 345,237,000 Shares, representing approximately 20.76%, 0.89% and 4.09% of the total issued share capital of the Company, respectively.

The Irrevocable Undertakings shall terminate immediately if, amongst others:

- (a) the Proposal and the Scheme are otherwise not implemented by the Long Stop Date;
- (b) the Scheme is not approved at the Court Meeting;
- (c) the reduction of the share capital of the Company is not approved at the General Meeting; or
- (d) the Grand Court does not sanction the Scheme or confirm the reduction of the share capital of the Company.

### 3. CONDITIONS TO THE SCHEME

The implementation of the Proposal is, and the Scheme will become effective and binding on the Company and the Scheme Shareholders, subject to the fulfilment or waiver (as applicable) of the following conditions:

- (a) the approval of the Scheme (by way of poll) by a majority in number of the Disinterested Shareholders representing not less than 75% in value of the Shares held by the Disinterested Shareholders, present and voting either in person or by proxy at the Court Meeting, provided that:
  - (i) the Scheme is approved (by way of poll) by the Disinterested Shareholders holding at least 75% of the votes attaching to the Shares held by the Disinterested Shareholders that are voted either in person or by proxy at the Court Meeting; and
  - (ii) the number of votes cast (by way of poll) by the Disinterested Shareholders present and voting either in person or by proxy at the Court Meeting against the resolution to approve the Scheme at the Court Meeting is not more than 10% of the votes attaching to all Scheme Shares held by all the Disinterested Shareholders;
- (b) (i) the passing of a special resolution by a majority of not less than three-fourths of the votes cast by the Shareholders present and voting in person or by proxy at the General Meeting to approve and give effect to the reduction of the share capital of the Company by cancelling and extinguishing the Scheme Shares; and (ii) the passing of an ordinary resolution by the Shareholders at the General Meeting to immediately thereafter increase the issued share capital of the Company and apply the reserve created as a result of the aforesaid cancellation of the Scheme Shares to pay up in full at par the New Shares, credited as fully paid, for issuance to the Offeror;
- (c) the Grand Court's sanction of the Scheme (with or without modifications) and, to the extent necessary, its confirmation of the reduction of the share capital of the Company, and the delivery to the Registrar of Companies in the Cayman Islands of a copy of the order of the Grand Court for registration;
- (d) compliance, to the extent necessary, with the procedural requirements and conditions, if any, under Sections 15 and 16 of the Companies Law in relation to the reduction of the issued share capital of the Company;
- (e) all necessary Authorizations which are material in the context of the Group taken as a whole and other registrations, filings, rulings, consents, opinions, permissions and approvals in connection with the Proposal having been obtained from, given by or made with (as the case may be) the Relevant Authorities, in the Cayman Islands, Hong Kong and any other relevant jurisdictions;

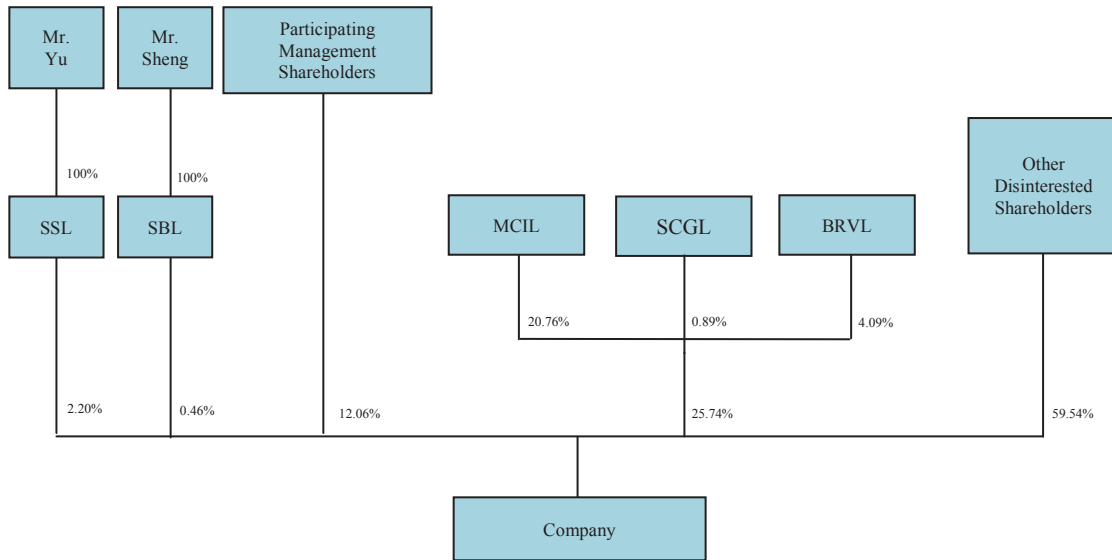
- (f) all necessary Authorizations, registrations, filings, rulings, consents, opinions, permissions and approvals in connection with the Proposal under sub-paragraph (h) above remaining in full force and effect without variation, and all necessary statutory or regulatory obligations in all relevant jurisdictions having been complied with, and no requirement having been imposed by any Relevant Authorities which is not expressly provided for, or is in addition to requirements expressly provided for, in relevant laws, rules, regulations or codes in connection with the Proposal or any matters, documents (including circulars) or things relating thereto and which is material and adverse in the context of the Proposal or the Group taken as a whole, in each aforesaid case up to and at the time when the Scheme becomes effective;
- (g) all necessary consents which may be required for the implementation of the Proposal and the Scheme under any existing contractual obligations of the Company being obtained or waived by the relevant party(ies), where any failure to obtain such consent or waiver would have a material adverse effect on the business of the Group; and
- (h) (i) the receipt of an opinion from the Independent Financial Adviser to the Independent Board Committee confirming that the Management Participation is fair and reasonable; (ii) the passing of an ordinary resolution by the Independent Shareholders at the General Meeting to approve the Management Participation under the Takeovers Code; and (iii) the consent from the Executive to the Management Participation.

The Offeror reserves the right to waive Conditions (e), (f) and (g) either in whole or in part, either generally or in respect of any particular matter. Conditions (a), (b), (c), (d) and (h) cannot be waived in any event. Pursuant to Note 2 to Rule 30.1 of the Takeovers Code, the Offeror may only invoke any or all of the Conditions as a basis for not proceeding with the Scheme if the circumstances which give rise to the right to invoke any such Condition are of material significance to the Offeror in the context of the Proposal. As of the date of this announcement, the Offeror is not aware of any such requirements under Conditions (e), (f) and (g).

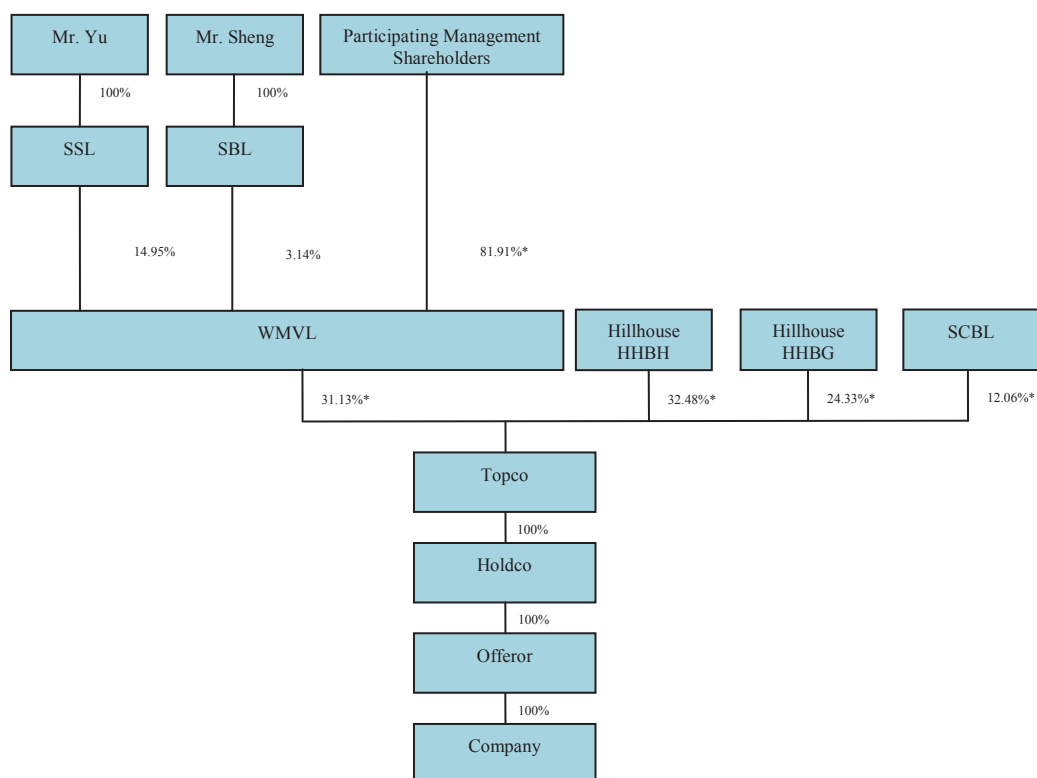
All of the above Conditions will have to be fulfilled or waived, as applicable, on or before the Long Stop Date (or such later date as the Offeror and the Company may agree or, to the extent applicable, as the Executive may consent and the Grand Court may direct), failing which the Proposal and the Scheme will lapse. The Company has no right to waive any of the Conditions.

#### 4. SHAREHOLDING STRUCTURE

The chart below sets out the shareholding structure of the Company as at the date of this announcement:



The chart below sets out the shareholding structure of the Company after the completion of the Scheme and the transfer of the Rollover Shares pursuant to the Rollover Agreement, assuming that no other new Shares will be issued prior thereto:



\* *the equity ownership structure of Topco upon the Scheme becoming effective is subject to adjustment based on any additional equity contribution for the actual costs and expenses in connection with the Proposal paid by, or the resulting aggregate actual equity contribution to the Scheme from, each member of the Equity Investors Group.*

As at the date of this announcement, the Disinterested Shareholders are holders of an aggregate of 7,192,291,808 Shares, representing approximately 85.28% of the total issued Shares, and they are entitled to vote at the Court Meeting. Each of the WMVL Shareholders, in lieu of a meeting of themselves to approve the Scheme, will undertake to the Grand Court to be bound by the Scheme and to receive the WMVL Cancellation Consideration in consideration for cancellation of their Shares under the Scheme. Each of the Offeror and WMVL will also undertake to the Grand Court to be bound by the Scheme.

All Shareholders are entitled to vote on the special resolution to be proposed at the General Meeting to approve and give effect to the reduction of the share capital of the Company and the implementation of the Scheme. Pursuant to the Irrevocable Undertakings, if the Scheme is approved at the Court Meeting, each of the WMVL Shareholders, MCIL, SCGL and BRVL will vote in favor of the special resolution to be proposed at the General Meeting to approve and give effect to the Scheme, including the approval of the reduction of the issued share capital of the Company by cancelling and extinguishing the Scheme Shares and of the issue to the Offeror of the New Shares.



Under the Scheme, the share capital of the Company will, on the Effective Date, be reduced by cancelling and extinguishing the Scheme Shares, and forthwith upon such reduction, the share capital of the Company will be increased to its former amount by the issuance at par to the Offeror credited as fully paid of the same number of Shares as is equal to the number of Scheme Shares cancelled. The reserve created in the Company's books of account as a result of the capital reduction will be applied in paying up in full at par the New Shares so issued, credited as fully paid, to the Offeror.

By reason of being the financial adviser to the Offeror, BofAML is presumed to be acting in concert with the Offeror in accordance with class 5 of the definition of "acting in concert" in the Takeovers Code. Details of holdings or borrowings or lendings of, and dealings in, the Shares or any other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) by other parts of the BofAML group will be obtained as soon as possible after this announcement has been made in accordance with Note 1 to Rule 3.5 of the Takeovers Code.

As at the date of this announcement, save as disclosed in the sections headed "*Irrevocable Undertakings – (a) The WMVL Shareholders Irrevocable Undertakings*" in this announcement, the Offeror, the Joint Offerors and the Offeror Concert Parties do not hold or have control or direction over any other Shares or any options, warrants, derivatives or securities convertible into Shares or other derivatives in respect of securities in the Company.

None of the Offeror, the Joint Offerors nor any Offeror Concert Parties had dealt for value in any Shares, convertible securities, warrants or options of the Company or any derivatives in respect of such securities in the six months prior to the date of this announcement, save for the following transactions conducted by Southern Oak Manifold Master Fund, an entity under the common control of CDH Group:

<b>Date of transactions on the Stock Exchange</b>	<b>No. of Shares purchased/(sold)</b>	<b>Transaction price per Share (HK\$)</b>
1 November 2016	2,000	4.69
1 December 2016	(2,000)	4.50

As at the date of this announcement, (i) save for the 8,434,233,000 issued Shares, the Company does not have any other securities in issue; (ii) and the Company does not have any outstanding options, warrants, derivatives or securities convertible into Shares.

As at the date of this announcement, save for the Irrevocable Undertakings, neither the Offeror, the Joint Offerors nor the Offeror Concert Parties has received any irrevocable commitment from Shareholders to vote in favor of the Proposal.

Save for the Proposal, the Scheme, the Irrevocable Undertakings and the Rollover Agreement, there are no agreements or arrangements (whether by way of option, indemnity or otherwise) in relation to shares of the Offeror, the Joint Offerors and the Offeror Concert Parties or the Shares which might be material to the Proposal and the Scheme.

As at the date of this announcement, there is no agreement or arrangement to which any of the Offeror, the Joint Offerors or the Offeror Concert Parties was a party which related to the circumstances in which the Offeror may or may not invoke or seek to invoke a Condition to the Proposal and the Scheme.

As at the date of this announcement, neither the Offeror, the Joint Offerors nor the Offeror Concert Parties has borrowed or lent any relevant securities of the Company (as defined in Note 4 to Rule 22 of the Takeovers Code).

## 5. FINANCIAL RESOURCES

As at the date of this announcement, (i) the total number of issued Shares of the Company is 8,434,233,000; (ii) the Participating Management Shareholders in aggregate directly or indirectly hold 1,017,341,192 Shares (representing approximately 12.06% of the total issued share capital of the Company); and (iii) the WMVL Shareholders in aggregate hold 224,600,000 Shares (representing approximately 2.66% of the total issued share capital of the Company). In accordance with the terms of the WMVL Shareholders Irrevocable Undertakings and the Consortium Agreement, each of the WMVL Shareholders has undertaken to the cancellation of their respective Shares under the Scheme in consideration for receiving the WMVL Cancellation Consideration.

Taking into account that the Shares held by the Participating Management Shareholders will not constitute Scheme Shares and that the WMVL Shareholders will receive the WMVL Cancellation Consideration in consideration for cancellation of their Shares under the Scheme, the Scheme would involve making an offer to cancel the remaining 7,192,291,808 Shares held by the Disinterested Shareholders, in exchange for cash at the Cancellation Consideration Price. The total amount of cash required to effect the Proposal is approximately HK\$45,311 million.

The Offeror intends to finance the cash requirement for the Proposal through (i) a drawdown of debt facilities with an aggregate amount of HK\$28,000 million provided by Bank of America, N.A. (the "Acquisition Financing"); and (ii) an aggregate cash investment of HK\$17,311,438,390 by the Equity Investors Group. The Acquisition Financing is secured by, among others, equitable mortgages and charges over all shares in the Offeror granted by Holdco; and (b) all of the Shares in the Company owned by the Offeror from time to time.

The Offeror has binding equity commitment letters, each dated 28 April 2017, from each of Hillhouse Fund III, L.P., Gaoling Fund, L.P., YHG Investment, L.P. (each of which is managed by Hillhouse Capital) and CDH Fund V (which is managed by CDH Group) pursuant to which such entities have committed to make one or more direct or indirect capital contributions in the form of cash to the Offeror for its use solely for the purpose of the Proposal and to pay a portion of the Cancellation Consideration.

BofAML, the financial adviser to the Offeror, is satisfied that sufficient financial resources are available to the Offeror for discharging its obligations in respect of the full implementation of the Proposal in accordance with its terms.

## 6. CONSORTIUM AGREEMENT

On 28 April 2017, Mr. Yu, Mr. Sheng, WMVL, HHCDR GP, Hillhouse HHBH, Hillhouse HHBG, CDH V Holdings Company Limited (the general partner of CDH Fund V) and SCBL entered into the Consortium Agreement pursuant to which they agreed, among other things, that:

- (a) all material actions and decisions relating to the Proposal will be jointly led and made by the key sponsors, namely, Mr. Yu, Mr. Sheng, HHCDR GP, Hillhouse HHBH, Hillhouse HHBG and CDH in their sole discretion after notifying the other parties;
- (b) each of Mr. Yu and Mr. Sheng undertakes and agrees to the cancellation of their respective Shares (held by SSL and SBL, respectively) under the Scheme in consideration for the WMVL Cancellation Consideration in respect of such Shares as in-kind equity contributions to WMVL and to enter into an irrevocable undertaking in respect of such undertakings in favor of the other parties and the Offeror; and
- (c) the equity ownership of Topco shall be determined by reference to the value of the proportional contribution from the WMVL Shareholders, the Participating Management Shareholders and the Equity Investors Group and/or certain costs and expenses in connection with the Proposal, either in the form of cash in the case of the Equity Investors Group, or by in-kind contribution of Shares in the case of the WMVL Shareholders.

## 7. ROLLOVER AGREEMENT

The Offeror and the Joint Offerors would like to allow the Participating Management Shareholders to roll over their respective shareholding interests in the Company through WMVL after the Scheme becomes effective. The Participating Management Shareholders in aggregate directly or indirectly hold 1,017,341,192 Shares (representing approximately 12.06% of the issued share capital of the Company as at the date of this announcement).

Members of the Participating Management Shareholders comprise of (i) the Other Management Members who are senior management of the Group overseeing its day-to-day operation and they constitute a key part of the management team of the Group that has extensive operational expertise and an in-depth understanding in the footwear and apparel industry. It is important for the Company to retain them as indirect Shareholders after completion of the Scheme so that they have incentives to continue to contribute to the development of the Group; and (ii) MTL and HM(PTC)L, each of which is a private trust company which holds Shares pursuant to the share award scheme of the Company for the benefit of a number of mid to senior level management members of the Group. It is equally important that each of MTL and HM(PTC)L retains an interest in the Company in order to continue to provide long-term incentives to the management members after completion of the Scheme.

The Offeror entered into the Rollover Agreement with, among other parties, WMVL, MTL, HM(PTC)L and each of the Other Management Members Investment Vehicles, pursuant to which:

- (a) subject to, among others, the Independent Shareholders' approval as set out in the section headed "Independent Shareholders' Approval" below, the Participating Management Shareholders will remain as Shareholders until the Scheme becomes effective and the Rollover Shares (i) will not form part of the Scheme Shares under the Scheme; and (ii) will not be cancelled and extinguished on the Effective Date;
- (b) upon the Scheme becoming effective, the Rollover Shares will then be transferred to the Offeror in consideration for an aggregate of 1,017,341,192 shares to be issued by WMVL to each holder of the Rollover Shares credited as fully paid at the Cancellation Consideration Price. After completion of the transfers of the Rollover Shares and completion of the Scheme, each member of the Participating Management Shareholders will, through WMVL, hold an indirect interest in the Company; and
- (c) each of the Participating Management Shareholders has undertaken that it/he/she shall not, directly or indirectly, sell, transfer, charge, encumber, grant any option over or otherwise dispose of any interest in any of the Shares held by it/him/her, nor will it/he/she accept any other offer in respect of all or any of such Shares before the Scheme becomes effective.

The Rollover Agreement will be terminated if the Scheme lapses or is withdrawn, terminated or rescinded by the Offeror or is finally dismissed, finally refused or finally rejected by the Grand Court.

## 8. INDEPENDENT SHAREHOLDERS' APPROVAL

As the Management Participation arrangements under (i) the Consortium Agreement entered into by the Executive Management Group; and (ii) the Rollover Agreement entered into by the relevant Participating Management Shareholders are not offered to all Shareholders, the Management Participation requires the consent of the Executive under Note 3 to Rule 25 of the Takeovers Code. The Offeror and the Joint Offerors will make an application for consent from the Executive in relation to the Management Participation conditional on the Independent Financial Adviser to the Independent Board Committee confirming that the Management Participation is fair and reasonable, and the passing of an ordinary resolution by the Independent Shareholders at the General Meeting to approve the Management Participation. Accordingly, as set out in Condition (h), the Proposal and the Scheme are subject to: (i) the receipt of an opinion from the Independent Financial Adviser to the Independent Board Committee confirming that the Management Participation is fair and reasonable; (ii) the passing of an ordinary resolution by the Independent Shareholders at the General Meeting to approve the Management Participation under the Takeovers Code; and (iii) the consent from the Executive to the Management Participation.

## OTHER INFORMATION IN RELATION TO THE PROPOSAL

### 1. REASONS FOR AND BENEFITS OF THE PROPOSAL

#### **For the Company: an endeavor to facilitate a necessary transformation of the business amid a challenging retail market environment**

In recent years, the Company has experienced unprecedented challenges in its footwear segment. Rapidly growing e-Commerce platforms continue to gain overall footwear market share by offering convenience, attractive pricing and vast product choices. Department stores, which are the Company's primary sales channel, have suffered a significant reduction in foot traffic as a result of competition from both e-Commerce and other retail channels such as shopping malls. Although the Company has explored a variety of initiatives to adapt to the shifting market dynamics, substantive positive impact has been rather limited. Consequently, performance of the Company's footwear segment has experienced material deterioration, including 13 consecutive quarters of negative same store sales growth since the fourth quarter of the financial year ended 28 February 2014.

A fundamental transformation is necessary in order for the Company to compete effectively and solidify its long-term leadership in the Chinese ladies footwear market. Such a strategic transformation is important for the Company to navigate a rapidly changing retail landscape in China and to adapt to constantly evolving consumer preferences. The Joint Offerors plan to contribute financial and operating resources to and work with the Company to explore and experiment with new retail models, pursue a series of transformative and innovative initiatives, and make significant investments in technology, infrastructure and talent. The Joint Offerors believe that such changes, if successful, may bolster long-term competitiveness of the Company, but they can be more effectively implemented if the Company is

privatized and free from short-term distractions arising from the public equities market, as such type of transformation involves certain degree of risks.

**For the Scheme Shareholders: an attractive opportunity to realize their investment with a compelling premium in view of industry headwinds and execution risks**

The Scheme provides an attractive opportunity for the Scheme Shareholders to exit and monetize their Shares at a compelling premium to the current market price of the Company, in light of the challenging operating environment and the risks in implementation of a strategic transformation. The Cancellation Consideration Price of HK\$6.30 for each Scheme Share represents a premium of approximately 23.60% and 28.38% over the average closing price of approximately HK\$5.0970 and HK\$4.9073 per Share for 10 and 90 trading days up to and including the Last Trading Day, respectively, and a premium of 12.50% over the 52-week closing high of HK\$5.6000 per Share during the year prior to the date of this announcement. The Cancellation Consideration Price translates to a price to earnings ratio of 18.71 times based on the profit attributable to the Company's equity holders of approximately RMB2,509 million for the twelve months ended 31 August 2016, based on a RMB to HK\$ exchange rate of RMB0.88339 to HK\$1 (being the exchange rate as quoted by the People's Bank of China on the Last Trading Day).

## **2. INFORMATION ON THE JOINT OFFERORS**

### **a. Executive Management Group**

The Executive Management Group comprises of Mr. Yu, Mr. Sheng, SSL and SBL.

Mr. Yu joined the Group in 2005 and has over 25 years of experience in footwear and sportswear retail business. He currently serves as an Executive Director and the President of sportswear business division of the Group. Mr. Yu is primarily responsible for the Group's sportswear marketing strategy and overall management. SSL is a special purpose vehicle that is wholly-owned by a family trust founded by Mr. Yu, of which he is the sole beneficiary.

Mr. Sheng joined the Group in 2005 and has almost 20 years of experience in the management of footwear retail business. He currently serves as an Executive Director and the President of new business division of the Group. Mr. Sheng is primarily responsible for operation management of the Group's footwear and apparel retail business. SBL is a special purpose vehicle that is wholly-owned by a family trust founded by Mr. Sheng, of which he is the sole beneficiary.

**b. Equity Investors Group**

The Equity Investors Group is comprised of Hillhouse HHBH, Hillhouse HHBG and SCBL.

***About Hillhouse Capital***

Founded in 2005, Hillhouse Capital is a global firm of investment professionals and operating executives who are focused on building high quality business franchises that achieve sustainable growth over time. Hillhouse Capital takes a long-term approach toward investing and partners with exceptional entrepreneurs to create value. Independent proprietary research and industry expertise, in conjunction with world-class operating and management capabilities, are key to Hillhouse Capital's investment approach. Hillhouse Capital invests in the consumer, TMT, healthcare, advanced manufacturing, financials and business services sectors in companies across all equity stages. Based in Asia, Hillhouse Capital and its group members manage over US\$25 billion in assets on behalf of institutional clients such as university endowments, foundations, sovereign wealth funds, and family offices.

Hillhouse HHBH is an exempted company incorporated under the laws of the Cayman Islands with limited liability which is indirectly wholly-owned by Hillhouse Fund III, L.P. The general partner of Hillhouse Fund III, L.P. is Hillhouse Fund III GP, Ltd. and its sole investment manager is Hillhouse Capital. Hillhouse HHBH is principally engaged in investment holding.

Hillhouse HHBG is an exempted company incorporated under the laws of the Cayman Islands with limited liability which is indirectly owned as to 94% by Gaoling Fund, L.P. and 6% by YHG Investment, L.P. The general partner of Gaoling Fund, L.P. is Gaoling Fund GP, Ltd. and its sole investment manager is Hillhouse Capital. The general partner of YHG Investment, L.P. is Hillhouse Capital. Hillhouse HHBG is principally engaged in investment holding.

***About CDH***

Established in 2002, CDH Group is one of the largest alternative asset management institutions focused on China today with over US\$17 billion in assets under management as of 31 December 2016. From its roots in private equity, CDH Group has expanded to become a diversified alternative asset management platform covering: Private Equity, Venture and Growth Capital, Real Estates, Mezzanine & Credit, Public Equities and Wealth Management. CDH Group has more than 100 investment professionals working in offices in Hong Kong, Singapore, Beijing, Shanghai and Shenzhen. CDH's core principle is to create value for all of its partners, including investors and portfolio companies.

SCBL is a business company incorporated in the British Virgin Islands with limited liability which is indirectly wholly-owned by CDH Fund V, the general partner of which is CDH V Holdings Company Limited. SCBL is principally engaged in investment holding.

### 3. INFORMATION ON THE OFFEROR GROUP

The Offeror is wholly-owned by Holdco, which in turn is wholly-owned by Topco. Topco is owned by the Joint Offerors. Each of the Offeror, Holdco and Topco is an exempted company incorporated under the laws of the Cayman Islands with limited liability which is principally engaged in investment holding. Topco, Holdco and the Offeror are special purpose vehicles set up for the implementation of the Proposal.

### 4. INFORMATION ON THE GROUP

The Group is principally engaged in the manufacturing, distribution and retailing of shoes and footwear products, and the sales of sportswear and apparel products. The Group has manufacturing plants in China for the production of shoes and footwear products, and sells mainly in China, Hong Kong and Macau.

The audited consolidated financial information of the Company for each of the two years ended 29 February 2016 and 28 February 2015 and the unaudited consolidated financial information of the Company for the six months ended 31 August 2016 prepared in accordance with the International Financial Reporting Standards is as follows:

	<b>For the six months ended 31 August 2016</b>	<b>For the year ended 29 February 2016</b>	<b>For the year ended 28 February 2015</b>
	<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i>
Profit before tax	2,441.4	4,541.2	6,601.4
Profit after tax	1,733.8	2,945.1	4,750.8



## 5. INFORMATION ON THE PARTICIPATING MANAGEMENT SHAREHOLDERS

The Participating Management Shareholders comprise of the Other Management Members, the Other Management Members Investment Vehicles, MTL and HM(PTC)L.

The Other Management Members comprise of the following existing senior management members of the Company, and together with the beneficiaries of the trust over MTL and HM(PTC)L, are key members of the Group's management with extensive experience in the operation of the Group and proven track record in the footwear and apparel industry. The Other Management Members hold the Shares through their respective Other Management Members Investment Vehicles and two of whom also hold the Shares in their personal capacity. The Other Management Members Investment Vehicles comprise of 12 companies, each of which is principally engaged in investment holding.

### Names of the Other

#### Management Members

#### Position in the Group

<u>Mr. SONG Xiaowu</u>	Group <u>Senior Vice President, Production</u>
<u>Ms. LI Zhao</u>	Group Senior Vice President, <u>Human Resources</u>
<u>Mr. HU Bing</u>	Group Senior Vice President, <u>Footwear</u>
<u>Mr. LU Xiaoming</u>	Group Senior Vice President, Information Technology and Logistics
<u>Ms. DENG Baoshan</u>	<u>Group Vice President, Footwear</u>
<u>Mr. SONG Fuwang</u>	Group Vice President, <u>Finance</u>
<u>Mr. XU Xianda</u>	Group Vice President, <u>Public Relations and Legal</u>
<u>Mr. MA Guangmin</u>	Group Vice President, <u>Northeastern Region Retail</u>
<u>Ms. DENG Yali</u>	Group Vice President, <u>Northwestern Region Retail</u>
<u>Ms. MA Xiaohui</u>	Group Vice President, <u>Central China Retail</u>

MTL is a private trust company incorporated under the laws of Hong Kong and a wholly-owned subsidiary of the Company. HM(PTC)L is a private trust company incorporated under the laws of the British Virgin Islands. The Shares that MTL and HM(PTC)L hold were purchased pursuant to the share award scheme of the Company adopted on 26 May 2014 for the benefit of certain management members of the Group.

## 6. WITHDRAWAL OF LISTING OF THE SHARES

Upon the Scheme becoming effective, all the Scheme Shares will be cancelled and the share certificates for the Scheme Shares will thereafter cease to have effect as documents or evidence of title.

The Company will make an application for the listing of the Shares to be withdrawn from the Stock Exchange in accordance with Rule 6.15 of the Listing Rules, with effect immediately following the Effective Date. Subject to the requirements of the Takeovers Code, the Scheme will lapse if any of the Conditions described in the section headed "*Conditions to the Scheme*" of this announcement has not been fulfilled or waived, as applicable, on or before Long Stop Date (or such later date as the Offeror and the Company may agree or, to the extent applicable, as the Executive may consent and the Grand Court may direct).

The Shareholders will be notified by way of an announcement of the dates of the last day for dealing in the Shares and on which the Scheme and the withdrawal of the listing of the Shares on the Stock Exchange will become effective. A detailed timetable of the Scheme will be included in the Scheme Document. The Scheme Document will also contain, among other things, further details of the Proposal and the Scheme.

If the Scheme is withdrawn or not approved or lapses, the listing of the Shares on the Stock Exchange will not be withdrawn.

## 7. OVERSEAS SCHEME SHAREHOLDERS

The making of the Proposal to those Scheme Shareholders who are not resident in Hong Kong may be subject to the laws of the relevant jurisdictions where such Scheme Shareholders are located. Such Scheme Shareholders should inform themselves about and observe any applicable legal and regulatory requirements of their own jurisdictions. It is the responsibility of any overseas Scheme Shareholders wishing to accept the Proposal to satisfy themselves as to the full observance of the laws of the relevant jurisdiction in connection therewith, including the obtaining of any governmental or exchange control or other consents which may be required, or the compliance with other necessary formalities and the payment of any issue, transfer or other taxes due in such jurisdiction.

In the event that the receipt of the Scheme Document by overseas Scheme Shareholders is prohibited by any relevant law or regulation or may only be effected after compliance with conditions or requirements that the director of the Offeror regards as unduly onerous or burdensome (or otherwise not in the best interests of the Offeror or the shareholder of the Offeror), the Scheme Document will not be despatched to such overseas Scheme Shareholders. For that purpose, the Offeror will apply for any waivers as may be required by the Executive pursuant to Note 3 to Rule 8 of the Takeovers Code at such time. Any such waiver will only be

granted if the Executive is satisfied that it would be unduly burdensome to despatch the Scheme Document to such overseas Scheme Shareholders. In granting the waiver, the Executive will be concerned to see that all material information in the Scheme Document is made available to such Scheme Shareholders, as the case may be.

If any such waiver is granted by the Executive, the Offeror reserves the right to make arrangements in respect of Scheme Shareholders who are not resident in Hong Kong in relation to the terms of the Proposal. Such arrangements may include notifying any matter in connection with the Proposal to the Scheme Shareholders having a registered overseas address by announcement or by advertisement in a newspaper which may or may not be circulated in the jurisdiction within which such persons are resident. The notice will be deemed to have been sufficiently given, despite any failure by such Scheme Shareholders to receive or see that notice.

Scheme Shareholders are recommended to consult their own professional advisers if they are in any doubt as to the taxation implications of accepting the Proposal. It is emphasized that none of the Company, the Offeror, the Joint Offerors, BofAML or any of their respective directors, officers or associates or any other person involved in the Proposal accepts responsibility for any taxation effects on, or liabilities of, any persons as a result of their acceptance or rejection of the Proposal.

## **8. INDEPENDENT BOARD COMMITTEE**

An Independent Board Committee, which comprises of Mr. HO Kwok Wah, George, Mr. CHAN Yu Ling, Abraham, Dr. XUE Qiuzhi and Mr. GAO Yu, being all the independent non-executive Directors, has been established by the Board to advise the Independent Shareholders in connection with the Proposal and in particular as to whether (i) the Proposal, the Scheme and the Management Participation are, or are not, fair and reasonable; and (ii) to vote in favor of the Scheme at the Court Meeting and the Proposal at the General Meeting.

Mr. TANG Yiu, Mr. TANG Wai Lam and Ms. HU Xiaoling, all the non-executive Directors, do not form part of the Independent Board Committee due to their respective interest in the Proposal as follows:

- (a) Mr. TANG Yiu and Mr. TANG Wai Lam are deemed to be interested in the Shares held by MCIL, which has given the Certain Disinterested Shareholders Irrevocable Undertakings; and
- (b) Ms. HU Xiaoling is currently a managing director of CDH Investments Management (Hong Kong) Limited, which is an affiliate of the CDH entities that are involved in this transaction.

## **9. APPOINTMENT OF THE INDEPENDENT FINANCIAL ADVISER TO THE INDEPENDENT BOARD COMMITTEE**

The Board, with the approval of the Independent Board Committee, has appointed Anglo Chinese Corporate Finance, Limited as the independent financial adviser to advise the Independent Board Committee in connection with the Proposal and the Scheme pursuant to Rule 2.1 of the Takeovers Code and the Management Participation.

## **10. DESPATCH OF SCHEME DOCUMENT**

The Scheme Document containing, among other things, further details of the Proposal, the Scheme, the Management Participation, the expected timetable, an explanatory statement as required under the Companies Law and the rules of the Grand Court, information regarding the Company, the recommendations of the Independent Board Committee with respect to the Proposal, the Scheme, the Management Participation, the letter of advice from the Independent Financial Adviser, notices of the Court Meeting and the General Meeting as well as other particulars required by the Takeovers Code will be despatched to the Scheme Shareholders as soon as practicable and in compliance with the requirements of the Takeovers Code, the Companies Law, the rules of the Grand Court, the orders of the Grand Court and other applicable laws and regulations.

The Scheme Document will contain important information and the Scheme Shareholders are urged to read the Scheme Document containing such disclosures carefully before casting any vote at (or providing any proxy in respect of) the Court Meeting or the General Meeting. Any voting, acceptance or other response to the Proposal should be made only on the basis of information in the Scheme Document or any other document by which the Proposal is made.

## **11. SUSPENSION AND RESUMPTION OF TRADING IN THE SHARES**

At the request of the Company, trading in the Shares on the Stock Exchange was suspended from 9:00 a.m. on 18 April 2017 pending the release of this announcement. An application has been made by the Company to the Stock Exchange for a resumption of trading in the Shares with effect from 9:00 a.m. on 2 May 2017.

## **12. DISCLOSURE OF DEALINGS**

Associates of the Company, the Offeror and the Joint Offerors (as defined in the Takeovers Code, including persons holding 5% or more of any class of relevant securities (as defined in paragraphs (a) to (d) in Note 4 to Rule 22 of the Takeovers Code) of any of the Company, the Offeror and the Joint Offerors) are reminded to disclose their dealings in any securities in the Company under Rule 22 of the Takeovers Code during the offer period.

In accordance with Rule 3.8 of the Takeovers Code, reproduced below is the full text of Note 11 to Rule 22 of the Takeovers Code:

*“Responsibilities of stockbrokers, banks and other intermediaries*

*Stockbrokers, banks and others who deal in relevant securities on behalf of clients have a general duty to ensure, so far as they are able, that those clients are aware of the disclosure obligations attaching to associates and other persons under Rule 22 and that those clients are willing to comply with them. Principal traders and dealers who deal directly with investors should, in appropriate cases, likewise draw attention to the relevant Rules. However, this does not apply when the total value of dealings (excluding stamp duty and commission) in any relevant security undertaken for a client during any 7 day period is less than HK\$1 million.*

*This dispensation does not alter the obligation of principals, associates and other persons themselves to initiate disclosure of their own dealings, whatever total value is involved.*

*Intermediaries are expected to co-operate with the Executive in its dealings enquiries. Therefore, those who deal in relevant securities should appreciate that stockbrokers and other intermediaries will supply the Executive with relevant information as to those dealings, including identities of clients, as part of that co-operation.”*

## **WARNINGS**

**Shareholders and potential investors should be aware that the implementation of the Proposal and the Scheme is subject to the Conditions being fulfilled or waived, as applicable, and thus the Proposal may or may not be implemented, and the Scheme may or may not become effective. Accordingly, Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company. Persons who are in doubt as to the action they should take should consult their stockbroker, bank manager, solicitor or other professional advisers.**

## **DEFINITIONS**

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise.

- |                         |  |
|-------------------------|--|
| “Acquisition Financing” | as such term is defined in the section headed “ <i>Financial Resources</i> ” of this announcement  |
| “acting in concert”     | has the same meaning ascribed to it under the Takeovers Code, and “parties acting in concert” and “Concert Parties” shall be construed accordingly |
| “associate(s)”          | has the same meaning ascribed to it under the Takeovers Code   |

“Authorizations”	all necessary authorizations, registrations, filings, rulings, consents, permissions, waivers, exemptions and approvals required from the Relevant Authorities or other third parties which are necessary for any members of the Group to carry on its business
“Board”	the Company’s board of the Directors
“BofAML”	Merrill Lynch (Asia Pacific) Limited, a corporation licensed to carry on type 1 (dealing in securities), type 4 (advising on securities) and type 6 (advising on corporate finance) regulated activities with the SFC, which is the financial adviser to the Offeror in respect of the Proposal
“BRVL”	Best Rich Ventures Limited, a business company incorporated in the British Virgin Islands with limited liability that is wholly-owned by a family trust founded by Mr. SHENG Baijiao, of which he is the sole beneficiary
“Business Day(s)”	a day on which the Stock Exchange is open for the transaction of <u>business</u>
“Cancellation Consideration”	the consideration in cash to be paid to the Disinterested Shareholders, being the Cancellation Consideration Price for every Scheme Share cancelled
“Cancellation Consideration Price”	HK\$ <u>6.30</u> for every Scheme Share cancelled, subject to adjustment (if any) as described in the section headed “ <i>The Proposal</i> ” of this announcement
“CDH”	CDH Fund V and SCBL
“CDH Fund V”	CDH Fund V, L.P., an exempted limited partnership formed under the laws of the Cayman Islands
“CDH Group”	CDH and its affiliates
“Certain Disinterested Shareholders Irrevocable Undertakings”	the irrevocable undertakings given by MCIL, SCGL and BRVL as described in the section headed “ <i>Irrevocable Undertakings – (b) The Certain Disinterested Shareholders Irrevocable Undertakings</i> ” of this announcement
“Companies Law”	the Companies Law (2016 Revision) of the Cayman Islands

“Company”	Belle International Holdings Limited, an exempted company incorporated in the Cayman Islands with limited liability whose Shares are listed on the Stock Exchange (stock code: 1880)
“Condition(s)”	the conditions to the Scheme becoming effective as described in the section headed “ <i>Conditions to the Scheme</i> ” of this announcement
“Consortium Agreement”	the consortium agreement dated <u>28 April 2017</u> entered into amongst Mr. Yu, Mr. Sheng, WMVL, HHCDR GP, Hillhouse HHBH, Hillhouse HHBG, CDH V Holdings Company Limited (the general partner of CDH Fund V) and SCBL in connection with the Proposal
“Consortium Investor(s)”	prospective investor(s) which would directly or indirectly join the Equity Investors Group to finance the Proposal
“Court Meeting”	a meeting of the Disinterested Shareholders to be convened at the direction of the Grand Court for the purpose of approving the Scheme
“Director(s)”	director(s) of the Company
“Disinterested Shareholders”	holders of Shares as at the Record Date, other than <u>the Offeror, the Joint Offerors, the Offeror Concert Parties, the WMVL Shareholders and the Participating Management Shareholders</u>
“ <u>Dividend Arrangement</u> ”	<u>as such term is defined in the section headed “<i>The Proposal</i>” of this announcement</u>
“Effective Date”	the date on which the Scheme becomes effective in accordance with the Companies Law
“Equity Investors Group”	Hillhouse HHBH, Hillhouse HHBG and SCBL
“Executive”	the Executive Director of the Corporate Finance Division of the SFC or any delegate of the Executive Director
“Executive Management Group”	Mr. Yu, Mr. Sheng, SSL and SBL

“General Meeting”	an extraordinary general meeting of the Company to be held promptly after the conclusion or adjournment of the Court Meeting for the purpose of approving the reduction of the share capital of the Company, the Management Participation and implementation of the Scheme
“Grand Court”	the Grand Court of the Cayman Islands
“Group”	the Company and its subsidiaries
“HHCDR GP”	HHCDR GP, Ltd., an exempted company incorporated under the laws of the Cayman Islands with limited liability which is (i) the general partner of HHBH Investment, L.P., which wholly-owns Hillhouse HHBH; and (ii) the general partner of HHBG Investment, L.P., which wholly-owns Hillhouse HHBG
“Hillhouse Capital”	Hillhouse Capital Management, Ltd.
“Hillhouse Capital Group”	Hillhouse Fund III, L.P., Hillhouse Fund III GP, Ltd., Gaoling Fund, L.P., Gaoling Fund GP, Ltd., YHG Investment, L.P., Hillhouse Capital, Hillhouse HHBH and Hillhouse HHBG
“Hillhouse HHBG”	Hillhouse HHBG Holdings Limited, an exempted company incorporated under the laws of the Cayman Islands with limited liability which is owned as to 94% by Gaoling Fund, L.P. and 6% by YHG Investment, L.P.
“Hillhouse HHBH”	Hillhouse HHBH Holdings Limited, an exempted company incorporated under the laws of the Cayman Islands with limited liability which is indirectly wholly-owned by Hillhouse Fund III, L.P.
“HK\$”	<u>Hong Kong dollar(s), the lawful currency of Hong Kong</u>
“HM(PTC)L”	Honour Man (PTC) Limited, a private trust company incorporated under the laws of the British Virgin Islands
“Holdco”	Muse Holdings-M Inc., an exempted company incorporated under the laws of the Cayman Islands with limited liability which is wholly-owned by Topco
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China



“Independent Board Committee”	the independent committee of the Board formed to advise the Independent Shareholders in connection with the Proposal, the Scheme and the Management Participation and comprising Mr. HO Kwok Wah, George, Mr. CHAN Yu Ling, Abraham, Dr. XUE Qiuzhi and Mr. GAO Yu, all the independent non-executive Directors
“Independent Financial Adviser”	Anglo Chinese Corporate Finance, Limited, a corporation licensed to carry on type 1 (dealing in securities), type 4 (advising on securities), type 6 (advising on corporate finance), and type 9 (asset management) regulated activities under the <u>Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong</u> , being the independent financial adviser to the Independent Board Committee
“Independent Shareholders”	the Shareholders other than the <u>Offeror, the Joint Offerors, the Offeror Concert Parties, the Executive Management Group, the Participating Management Shareholders</u> and any other Shareholders who are interested in or involved in the Proposal, the Scheme or the Management Participation
“Irrevocable Undertakings”	the WMVL Shareholders Irrevocable Undertakings and the Certain Disinterested Shareholders Irrevocable Undertakings
“Joint Offerors”	the Executive Management Group and the Equity Investors Group
“Last Trading Day”	13 April 2017, being the last full trading day in the Shares on the Stock Exchange immediately before the suspension of trading in the Shares pending publication of this announcement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	<u>16</u> October 2017

“Management Participation”	(i) the participation of the WMVL Shareholders in the Proposal as the Joint Offerors and the entry into of the Consortium Agreement by the Executive Management Group; and (ii) the Participating Management Shareholders’ rollover of their respective shareholding interests in the Company to be held through WMVL after the Scheme becomes effective pursuant to the Rollover Agreement
“MCIL”	Merry Century Investments Limited, a business company incorporated in the British Virgin Islands with limited liability which is owned as to 54.33% by Mr. TANG Yiu and 45.67% by Mr. TANG Wai Lam
“Mr. Sheng”	Mr. SHENG Fang, an Executive Director and the President of new business division of the Group
“Mr. Yu”	Mr. YU Wu, an Executive Director and the President of sportswear business division of the Group
“MTL”	More Top Limited, a private trust company incorporated under the laws of Hong Kong and an indirect wholly-owned subsidiary of the Company
“New Shares”	new Shares to be issued to the Offeror pursuant to the Scheme, corresponding to the number of the Scheme Shares
“Offeror”	Muse Holdings-B Inc., an exempted company incorporated under the laws of the Cayman Islands with limited liability which is wholly-owned by the Holdco and indirectly owned by the Joint Offerors
“Offeror Concert Parties”	parties acting in concert or presumed to be acting in concert with any of the Offeror and the Joint Offerors
“Offeror Group”	<u>Topco, Holdco and the Offeror</u>
“Other Management Members”	Ms. DENG Baoshan, Mr. HU Bing, Mr. SONG Xiaowu, Mr. LU Xiaoming, Ms. LI Zhao, Mr. MA Guangmin, Mr. SONG Fuwang, Ms. MA Xiaohui, Ms. DENG Yali and Mr. XU Xianda, as described in the section headed “ <i>Other Information in relation to the Proposal – 5. Information on the Participating Management Shareholders</i> ” of this announcement

“Other Management Members Investment Vehicles”	a total of 12 <u>investment holding companies</u> , the ultimate beneficial owner of each of which is an Other Management Member
“Participating Management Shareholders”	the Other Management Members, the Other Management Members Investment Vehicles, MTL and HM(PTC)L
“Proposal”	the proposed privatization of the Company by the Offeror by way of the Scheme on the terms and subject to the Conditions set out in this announcement
“Record Date”	the appropriate record date to be announced for determining entitlements under the Scheme
“Relevant Authorities”	applicable governments or governmental bodies, regulatory bodies, or courts including but not limited to the SFC and the Stock Exchange
“RMB”	Renminbi, the lawful currency of the People’s Republic of China
“Rollover Agreement”	the rollover agreement dated <u>28 April 2017</u> entered into among the Offeror, <u>Mr. Yu, Mr. Sheng, the Equity Investors Group, WMVL, MTL, HM(PTC)L</u> , each of the Other Management Members Investment Vehicles, <u>Mr. Song Xiaowu and Mr. Xu Xianda</u>
“Rollover Shares”	the Shares that are held directly or indirectly by the Participating Management Shareholders, being an aggregate of 1,017,341,192 Shares (representing approximately 12.06% of the issued share capital of the Company) as at the date of this announcement
“SBL”	Sure Beauty Limited, a business company incorporated in the British Virgin Islands with limited liability that is wholly-owned by a family trust founded by Mr. Sheng, of which he is the sole beneficiary
“SCBL”	Superise Colorful Brands Limited, a business company incorporated in the British Virgin Islands with limited liability which is indirectly wholly-owned by CDH Fund V

“SCGL”	Star Castle Global Limited, a business company incorporated in the British Virgin Islands with limited liability which is wholly-owned by Mr. SHENG Baijiao
“Scheme”	the scheme of arrangement under Section 86 of the Companies Law involving cancellation of all Scheme Shares for the implementation of the Proposal
“Scheme Document”	the composite scheme document of the Offeror and the Company, containing, inter alia, further details of the Proposal, the Scheme and the Management Participation together with the additional information specified in the section headed “ <i>Other Information in relation to the Proposal – 10. Despatch of Scheme Document</i> ” of this announcement
“Scheme Share(s)”	Shares other than those held by the Participating Management Shareholders
“Scheme Shareholder(s)”	holders of Scheme Shares as at the Record Date, comprising the Disinterested Shareholders and the WMVL Shareholders
“SFC”	the Securities and Futures Commission of Hong Kong
“Shareholder(s)”	registered holder(s) of the Shares
“Share(s)”	ordinary shares in the share capital of the Company
“SSL”	Starry Sign Limited, a business company incorporated in the British Virgin Islands with limited liability which is wholly-owned by a family trust founded by Mr. Yu, of which he is the sole beneficiary
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	Hong Kong Code on Takeovers and Mergers (as revised from time to time)
“Topco”	Muse Holdings Inc., an exempted company incorporated under the laws of the Cayman Islands with limited liability which is owned by the Joint Offerors

“WMVL”	Wisdom Man Ventures Limited, a business company incorporated under the laws of the British Virgin Islands with limited liability, which is owned by SSL and SBL before the Scheme becomes effective and by SSL, SBL and the Participating Management Shareholders after the Scheme becomes effective
“WMVL Cancellation Consideration”	the consideration to be received by the WMVL Shareholders for the cancellation of their Shares under the Scheme, being the crediting of their then unpaid WMVL Shares as fully paid in the amount of the Cancellation Consideration Price per WMVL Share pursuant to the terms of the WMVL Shareholders Irrevocable Undertakings
“WMVL Shareholders”	SSL and SBL
“WMVL Shareholders Irrevocable Undertakings”	the irrevocable undertakings given by each of the WMVL Shareholders as described in the section headed “ <i>Irrevocable Undertakings – (a) WMVL Shareholders Irrevocable Undertakings</i> ” of this announcement
“WMVL Shares”	an aggregate of 224,600,000 unpaid shares issued to the WMVL Shareholders as at the date of this announcement and to be credited as fully paid in the amount of the Cancellation Consideration Price per WMVL Share upon the Scheme becoming effective
“%”	per cent.

By order of the board of directors of  
**Muse Holdings-B Inc.**  
**O’CONNELL Colm John**  
*Director*

By order of the Board  
**Belle International Holdings Limited**  
**SHENG Baijiao**  
*CEO & Executive Director*

Hong Kong, 28 April 2017

*As at the date of this announcement, the Board comprises Mr. SHENG Baijiao, Mr. TANG King Loy, Mr. SHENG Fang and Mr. YU Wu as Executive Directors; Mr. TANG Yiu, Mr. TANG Wai Lam and Ms. HU Xiaoling as non-executive Directors; and Mr. HO Kwok Wah, George, Mr. CHAN Yu Ling, Abraham, Dr. XUE Qiuzhi and Mr. GAO Yu as independent non-executive Directors. The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement (other than that relating to the Offeror and the Joint Offerors), and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this announcement (other than those expressed by the Offeror and the Joint Offerors), have been arrived at after due and careful consideration and there are no 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 sole director of the Offeror is Mr. O'CONNELL Colm John. The sole director of the Offeror accepts full responsibility for the accuracy of the information contained in this announcement (other than that relating to the Group and the Joint Offerors) and confirm, having made all reasonable inquiries, that to the best of his knowledge, opinions expressed in this announcement (other than those expressed by the Group and the Joint Offerors), have been arrived at after due and careful consideration and there are no facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.*

*Each of Mr. YU Wu and Mr. SHENG Fang (in his capacity as the sole director of Starry Sign Limited and Sure Beauty Limited, respectively, and each as one of the Joint Offerors) accepts full responsibility for the accuracy of the information contained in this announcement (other than that relating to the Group, Hillhouse Capital Group and CDH Group) and confirms, having made all reasonable inquiries, that to the best of his knowledge, opinions expressed in this announcement (other than those expressed by the Group, Hillhouse Capital Group and CDH Group), have been arrived at after due and careful consideration and there are no facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.*

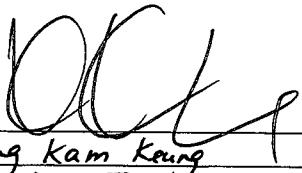
*As at the date of this announcement, the sole director of each of Hillhouse HBBH Holdings Limited; Hillhouse HHBG Holdings Limited; HHC DR GP, Ltd. (the general partner of HBBH Investment, L.P. and HHBG Investment, L.P., which wholly-owns Hillhouse HBBH Holdings Limited and Hillhouse HHBG Holdings Limited, respectively) is Mr. O'CONNELL Colm John. The sole director of each of Hillhouse HBBH Holdings Limited and Hillhouse HHBG Holdings Limited accepts full responsibility for the accuracy of the information contained in this announcement (other than that relating to the Group, the Executive Management Group and CDH Group) and confirms, having made all reasonable inquiries, that to the best of his knowledge, opinions expressed in this announcement (other than those expressed by the Group, the Executive Management Group and CDH Group), have been arrived at after due and careful consideration and there are no 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, (a) the board of directors of Superise Colorful Brands Limited comprises Ms. HU Xiaoling and Mr. HSU William Shang Wi; and (b) the board of directors of CDH V Holdings Company Limited (the general partner of CDH Fund V, L.P., which wholly-owns Superise Colorful Brands Limited) comprises Mr. WU Shangzhi, Mr. CHENG Wing-Yiu Laurence and Mr. TANG Weng Yew John. The directors of Superise Colorful Brands Limited and CDH V Holdings Company Limited jointly and severally accept full responsibility for the accuracy of the information contained in this announcement (other than that relating to the Group, the Executive Management Group and Hillhouse Capital Group) and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this announcement (other than those expressed by the Group, the Executive Management Group and Hillhouse Capital Group), have been arrived at after due and careful consideration and there are no facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.*

**SIGNED, SEALED AND DELIVERED**  
as a **DEED** by  
SHENG Baijiao  
as an authorized signatory  
of and for and on behalf of  
**STAR CASTLE GLOBAL LIMITED**  
in the presence of:

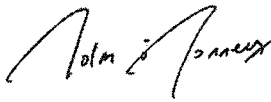
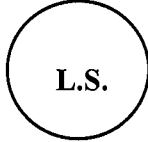
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L.S.

  
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Leung Kam Kaung  
9/F., Belle Tower  
918 Cheung Sha Wan Road  
Cheung Sha Wan, Kowloon, HK  
Company Secretary

Signature of witness  
Name of witness  
Address of witness  
Occupation of witness

**SIGNED, SEALED AND DELIVERED** )  
as a **DEED** by )  
Colm O'Connell )  
as an authorized signatory )  
of and for and on behalf of )  
**MUSE HOLDINGS-B INC.** )  
in the presence of: )

 )  
 )

  
\_\_\_\_\_  
Jennifer Neo  
\_\_\_\_\_  
50 Raffles Place #34-02A  
\_\_\_\_\_  
Singapore 048623  
\_\_\_\_\_  
Executive Assistant  
\_\_\_\_\_

Signature of witness  
Name of witness  
Address of witness  
  
Occupation of witness