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**GXG**

**Mulsanne Group Holding Limited**

**慕尚集團控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock code: 1817)**

## **INSIDE INFORMATION FORMATION OF JOINT VENTURE**

This announcement is made by Mulsanne Group Holding Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board of directors (the “**Board**”) of the Company is pleased to announce that, the Company entered into a joint venture agreement (the “**JV Agreement**”) with Million Success Resources Limited (“**Million Success**”) with effect from 2 December 2019 to establish a joint venture company (the “**JV Company**”) in the People’s Republic of China (the “**PRC**”). Million Success is an indirect wholly-owned subsidiary of Esprit Holdings Limited (a company listed on the Main Board of The Stock Exchange of Hong Kong Limited (stock code: 330)) and operates Esprit brand in the PRC in, amongst others, trading of apparel and accessories.

Pursuant to the JV Agreement, the JV Company will be owned as to 60% by the Company and 40% by Million Success. The registered capital of the JV Company shall be RMB100 million, in which each of the Company and Million Success shall contribute RMB60 million and RMB40 million, respectively. The board of directors of the JV Company (the “**JV Board**”) shall be comprised of three directors, of whom two shall be nominated by the Company and one shall be nominated by Million Success. Unless the parties otherwise agree, the chairman of the JV Company shall be nominated by the Company. The JV Board shall establish a management organisation chaired by the managing director of the JV Company (the “**Managing Director**”) and comprised of other senior managers. The Managing Director and other senior managers in the management organisation shall be nominated by the Company. They shall be responsible for, among other things, carrying out the JV Board’s decisions and shall be in charge of the day-to-day operations and management of the JV Company.

The JV Company will principally engage in operating apparels, apparel accessories and such other business as the parties may agree in the PRC for the Esprit brand. The business scope of the JV Company will include, without limitation, retail, wholesale, import and export, and commission agency (except for auction) of general household merchandise, clothes and accessories, shoes, hats, leather products, sports products, cosmetics, and provision of associated services.

Subject to the terms of the JV Agreement, Million Success shall cause Esprit International to enter into a trademark licence and transfer agreement (“**Trademark Agreement**”) to transfer certain trademarks (the “**Trademarks**”) to the JV Company. Upon the signing of the Trademark Agreement and until the completion of the transfer of Trademarks, the JV Company shall have a royalty-free licence to use the Trademarks pursuant to the terms of the Trademark Agreement. Upon completion of the transfer of the Trademarks to the JV Company and until 30 June 2020, the JV Company shall grant a licence for the use of the Trademarks to Million Success and its PRC affiliates for the purpose of engaging in the existing business. After 30 June 2020, Million Success or its affiliates or Esprit International may continue to source products bearing any of the Trademarks from the PRC for sale outside the PRC and the JV Company shall grant licence to Million Success or its affiliates or Esprit International for the use of the Trademarks so that they can continue its existing licence business with third-party licensees for non-core products in the PRC until the expiry of the pre-existing licensing arrangements with those third parties. The use of Trademarks on products are meant for (i) the exports of Esprit Holdings Limited and its subsidiaries and (ii) the trading of products bearing the Trademarks, and such use will not be deemed as an infringement of the trademark rights of the JV Company. Upon the completion of the formation of joint venture, Million Success will become a substantial shareholder of the JV Company and hence a connected person at subsidiary level. Therefore, the entering into of the Trademark Agreement will constitute a connected transaction and the Company will comply with other requirements under Chapter 14A of the Listing Rules.

The Board considers that, by taking advantage of the Group’s online and offline channels and its flexible supply chain system, the establishment of the JV Company which operates business for the Esprit brand enables the Group to further develop its multi-brand strategy.

The formation of the JV Company does not constitute a notifiable transaction or a connected transaction for the Company under the Listing Rules.

**The establishment of the JV Company is still under process, therefore the JV Company may or may not be set up. Shareholders and potential investors of the Company should exercise caution when they deal or contemplate dealing in the shares of the Company.**

By Order of the Board  
**Mulsanne Group Holding Limited**  
**HUANG Hanji**  
*Chairman*

Hong Kong  
2 December 2019

*As at the date of this announcement, the Board comprises Mr. YU Yong as executive director; Mr. HUANG Hanji, Mr. YANG Herong, Mr. LIN Lin, Mr. WANG Jun and Mr. Ravinder Singh THAKRAN as non-executive directors; and Mr. GU Jiong, Mr. YUAN Tao and Mr. Paolo BODO as independent non-executive directors.*