

October 10, 2016

SONIC TYCOON LIMITED

and

LEE & MAN HANDBAGS HOLDING LIMITED

SUPPLEMENTAL AGREEMENT

**relating to the Investment Agreement between the
parties dated September 18, 2016**

THIS SUPPLEMENTAL AGREEMENT is made on October 10, 2016

BETWEEN:

- (1) **SONIC TYCOON LIMITED**, a company incorporated under the laws of the British Virgin Islands whose registered office is at Kingston Chambers, PO Box 173, Road Town, Tortola, British Virgin Islands (the *Investor*); and
- (2) **LEE & MAN HANDBAGS HOLDING LIMITED**, a company incorporated under the laws of the Cayman Islands whose registered office is at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands (the *Issuer*),

each a *party* and together the *parties*.

WHEREAS:

(A) This agreement (the *Supplemental Agreement*) is supplemental to an agreement relating to the proposed issue of the Convertible Bonds (as defined therein) between the parties hereto dated September 18, 2016 (the *Investment Agreement*). As of the date of this Agreement, the Investor holds approximately 52.16% of the issued share capital of the Issuer.

(B) The parties have agreed to amend the Principal Agreement with immediate effect in the manner hereinafter contained.

It is hereby agreed as follows:

1. DEFINITIONS

Words and expressions defined in the Investment Agreement shall have the same meanings when used in this Supplemental Agreement.

2. AMENDMENTS TO THE INVESTMENT AGREEMENT

2.1 The parties agree that the Investment Agreement shall be amended by replacing the following defined term in Clause 1.1 of the Investment Agreement:

Availability Period means a period of two years commencing on the next Business Day of the date when the Conditions Precedents set out in Clauses 3.1(a) and (b) are fulfilled;

2.2 The parties agree that the Investment Agreement shall be amended by adding the following defined term in Clause 1.1 of the Investment Agreement:

Aggregate Principal Amount has the meaning given to it in Clause 2.1;

2.3 Subscription

- (a) The parties agree that the Investment Agreement shall be amended by replacing Clause 2.1 with the following clause:

“2.1 Subject to the terms of this Agreement, the Issuer agrees to issue to the Investor and the Investor agrees to subscribe for the Bonds at an aggregate amount of HK\$1,500,000,000 (the *Aggregate Principal Amount*) in accordance with the mechanics set out in Schedule 1.”

- (b) The parties agree that the following shall be inserted in Clause 2 as Clauses 2.2, 2.3 and 2.4:

“2.2 Without prejudice to the terms set out in Schedule 1 hereto, the parties agree that, during the first year of the Availability Period, the total principal amount of the Convertible Bonds subscribed by the Investor shall be no less than 50% of the Aggregate Principal Amount. On the day immediately before the first anniversary of the commencement date of the Availability Period, the Investor shall subscribe for the Convertible Bonds at the principal amount calculated as follows:

$$X = 50\% \times A - B - C$$

X: the principal amount of the Convertible Bonds to be subscribed

A: the Aggregate Principal Amount

B: the principal amount of the Convertible Bonds already issued to the Investor

C: the principal amount of the Convertible Bonds already requested to be subscribed but not yet issued

2.3 The parties further agree that, upon the expiry of the Availability Period, the Investor shall have subscribed for the remaining outstanding amount of the Convertible Bonds. On the expiring date of the Availability Period, the Investor shall subscribe for the Convertible Bonds at the principal amount calculated as follows:

$$X = A - B - C$$

X: the principal amount of the Convertible Bonds to be subscribed

A: the Aggregate Principal Amount

B: the principal amount of the Convertible Bonds already issued to the Investor

C: the principal amount of the Convertible Bonds already requested to be subscribed but not yet issued

2.4 The parties agree that no party shall have right to extend the Availability Period.”

3. INVESTMENT AGREEMENT TO REMAIN IN FORCE

3.1 This Supplemental Agreement is supplemental to the Investment Agreement and shall be construed as a part thereof with immediate effect.

3.2 Save and except as amended by this Supplemental Agreement, all provisions of the Principal Agreement shall remain unchanged and the Investment Agreement shall continue in full force and effect and shall continue to be binding upon the parties hereto.

IN WITNESS WHEREOF this Supplemental Agreement has been duly executed by the authorised representatives of the parties on the date first above written.

THE INVESTOR

SIGNED by
for and on behalf of
Sonic Tycoon Limited
in the presence of:

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)
)
)



THE ISSUER

SIGNED by
for and on behalf of
Lee & Man Handbags Holding Limited
in the presence of:

)
)
)
)

IN WITNESS WHEREOF this Supplemental Agreement has been duly executed by the authorised representatives of the parties on the date first above written.

THE INVESTOR

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THE ISSUER

SIGNED by
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Lee & Man Handbags Holding Limited
in the presence of:

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)
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Wang Xiaolong