

KIDILIZ GROUP AND SEMIR

TO FORM THE SECOND LARGEST CHILDREN'S FASHION GROUP IN THE WORLD

Paris, le 3 mai 2018

Paris, May 3, 2018 - Kidiliz Group, European leader in premium children's fashion, and Zhejiang Semir Garment Co. Ltd. ("Semir Group"), leader in children's fashion in China, announce their entry into exclusive negotiations.

With about 2.0 billion€ in combined sales, the two groups together will create the number two pure player worldwide in children's fashion. Upon completion of the transaction, Semir Group will acquire the entire Kidiliz Group with the support of its management.

Established in 1996, Semir Group is a leader in apparel market in China with multi brand offering. The Group's Balabala brand claims an undisputable leadership in children's fashion in China market. The Group owns another mega brand, Semir, a leader in young casual wear segment. Semir Group also operates a few international brands through Joint venture and master licensees for China market. All together, Semir Group employs 3,000 people, has a network of 8,000 mono-brand shops and generates 25% of its sales on-line for a turnover of 1.6 billion Euros. Semir Group, listed on the Shenzhen Stock Exchange since 2011, has a market capitalization of approximately 3.9 billion Euros. Semir group is controlled by its founders, the Qiu family.

Kidiliz Group, with a portfolio of 15 premium brands, generated 427 million Euros in sales in 2017. The group has a significant international presence in more than 80 countries. China, which accounted for about 17 million births in 2017, is a geographic area with significant opportunities where Kidiliz Group has been present for more than 20 years.

The combination of the two groups, complementary in terms of markets and product offers, will allow Kidiliz Group to continue its ongoing development in the world and to significantly accelerate its presence in the Chinese market. Semir Group, meanwhile, will be able to strengthen its expertise in the premium child textile market.

Sam Qiu, Vice-Chairman of Semir Group, comments: *"This is an exciting and strategic move for Semir Group, with a clear vision of building a worldwide leader in global kid's wear market by joining the two companies. Our strengths have been rather complementary and there are synergies in market access and global sourcing. In the short-run, we expect to seize more growth in both markets. In the long-run, there are much more to expect when you combine two passionate teams together."*

Rémy Baume, President of the Kidiliz Group, states: *"Kidiliz Group's international development has always been a major point of our long-term strategy. We share a strong development ambition with Semir Group, who brings us the necessary means to consolidate our growth in Europe and vigorously amplify our presence in China. Our respective company cultures will bring excitement into our common development projects."*

The transaction remains subject to certain regulatory and administrative conditions.

- End -

B&A Investment Bankers (Benoit & Associés) acted as exclusive financial advisor to the seller. The law firm Darrois Villey Maillot Brochier acted as legal counsel. KPMG advised the purchaser. The law firm Gide acted as legal counsel.

About Semir Group

Established in 1996, Semir Group is a leader in apparel market in China with multi brand offering. The Group started the apparel business in 1996, with SEMIR, a young casual brand. The brand is currently present in a retail network of 3200 stores. The Group's Balabala brand was established in 2002 and is present in 4400 mono-brand stores across China. Semir Group also expanded its offering by introducing high-end Korean women's wear brand it MICHAA, German lifestyle casual brand Maro O'Polo. In 2018 March, the Group signed a 20-year strategic license deal with US kidswear leader, The Children's Place. The Group aims to further strengthen its leadership in the industry by bringing in more differentiated brands and products, as the competitive dynamics evolve.

Semir Group was listed in Shenzhen Stock Exchange in 2011(code:002563).

For more information: <http://www.semirbiz.com>
<http://www.balabala.com.cn>

About Kidiliz Group

Kidiliz Group, the European leader in premium children's fashion, has a portfolio of 15 brands of unique quality, expertise, and creativity, including Catimini, Z, Absorba, 3 Pommès, Jean Bourget, Chipie, Lili Gaufrette, Beckaro, as well as 5 iconic licensed brands. Founded in 1962 by Roger Zannier, the Group was a pioneer with the Z brand, the leading French brand of children's clothing located in city centers. Kidiliz Group is present across all channels of distribution, with more than 11,000 points of sale, including 830 stores worldwide. It operates in 80 countries and markets a volume of 40 million pieces every year. This makes Kidiliz Group one of the major global players in children's clothing. From birth to teenage, Kidiliz Group wants to protect, embellish and make Child(hood) glitter thanks to appropriate apparel products and brand values dedicated to all the children in the world as well as their parents. Kidiliz Group employs 3,500 people worldwide, of which nearly 2,000 in France.

The Group realized sales of 427 M€ in 2017, of which more than half was generated abroad.

For more information: <http://www.kidiliz.com>

Media Contact

FTI Consulting

Stanislas Mulliez / Rémi Salvador

stanislas.mulliez@fticonsulting.com /

remi.salvador@fticonsulting.com

+ 33 1 47 03 68 10