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DISCLOSEABLE TRANSACTIONS SUBSCRIPTION FOR WEALTH MANAGEMENT PRODUCTS

SUBSCRIPTION FOR WEALTH MANAGEMENT PRODUCTS

The Board announces that between 19 July 2018 and 21 March 2019, two subsidiaries of the Company used internal resources to subscribe for the Wealth Management Products offered by CEB, CCB, HS and CRTC, summary of which are set out as follows:

CEB Wealth Management Product

- the subscription for CEB Wealth Management Product of RMB100.0 million subscribed on 19 July 2018;

CCB Wealth Management Product

- the First Subscription for CCB Wealth Management Product of RMB39.0 million subscribed on 8 November 2018;
- the Second Subscription for CCB Wealth Management Product of RMB50.0 million subscribed on 30 November 2018; and
- the Third Subscription for CCB Wealth Management Product of RMB60.0 million subscribed on 15 March 2019.

HS Wealth Management Products

- the First Subscription for HS Wealth Management Product of RMB15.0 million subscribed on 3 December 2018;
- the Second Subscription for HS Wealth Management Product of RMB10.0 million subscribed on 4 March 2019;
- the Third Subscription for HS Wealth Management Product of RMB10.0 million subscribed on 6 March 2019;
- the Fourth Subscription for HS Wealth Management Product of RMB8.0 million subscribed on 15 March 2019; and
- the Fifth Subscription for HS Wealth Management Product of RMB10.0 million subscribed on 21 March 2019.

CRTC Wealth Management Product

- the subscription for CRTC Wealth Management Product of RMB100.0 million subscribed on 23 January 2019.

LISTING RULES IMPLICATIONS

Pursuant to Rule 14.07 of the Listing Rules, as one of the applicable percentage ratios (defined under the Listing Rules) of the subscription amount of the CEB Wealth Management Product exceeds 5% but is less than 25%, the subscription for CEB Wealth Management Product constituted a discloseable transaction of the Company for the purposes of the Listing Rules and is subject to the reporting and announcement requirements under Rule 14.34 of the Listing Rules.

Pursuant to Rule 14.07 of the Listing Rules, as one of the applicable percentage ratios of each of the subscription amounts of the CCB Wealth Management Product exceeds 5% but is less than 25%, each of the subscriptions for CCB Wealth Management Product constituted a discloseable transaction of the Company for the purposes of the Listing Rules and is subject to the reporting and announcement requirements under Rule 14.34 of the Listing Rules.

Each of the subscriptions for the HS Wealth Management Products by itself does not constitute a notifiable transaction of the Company. However, pursuant to Rule 14.22 of the Listing Rules, given that all such subscriptions were made within a 12-month period with the same counterparty, HS, and they were still outstanding as at the date of this announcement, each of the outstanding subscription amounts with HS will be calculated in aggregate and one of the relevant applicable percentage ratios exceeds 5% but is less than 25%. Therefore, all the outstanding subscriptions with HS constituted a discloseable transaction of the Company for the purposes of the Listing Rules and is subject to the reporting and announcement requirements under Rule 14.34 of the Listing Rules.

Pursuant to Rule 14.07 of the Listing Rules, as one of the applicable percentage ratios of the subscription amount of the CRTC Wealth Management Product exceeds 5% but is less than 25%, the subscription for CRTC Wealth Management Product constituted a discloseable transaction of the Company for the purposes of the Listing Rules and is subject to the reporting and announcement requirements under Rule 14.34 of the Listing Rules.

The Company understands that it should have informed the Stock Exchange and published an announcement as soon as possible in accordance with Rule 14.34 of the Listing Rules as and when the obligations for subscriptions for the Wealth Management Products arose. The Company admits its delay in compliance with the said requirements under the Listing Rules is due to unintentional oversight.

SUBSCRIPTION FOR WEALTH MANAGEMENT PRODUCTS

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CEB Wealth Management Product

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CCB Wealth Management Product

- the First Subscription for CCB Wealth Management Product of RMB39.0 million subscribed on 8 November 2018;
- the Second Subscription for CCB Wealth Management Product of RMB50.0 million subscribed on 30 November 2018; and
- the Third Subscription for CCB Wealth Management Product of RMB60.0 million subscribed on 15 March 2019. The third subscription was made after the above two subscriptions were redeemed.

HS Wealth Management Products

- the First Subscription for HS Wealth Management Product of RMB15.0 million subscribed on 3 December 2018;
- the Second Subscription for HS Wealth Management Product of RMB10.0 million subscribed on 4 March 2019;
- the Third Subscription for HS Wealth Management Product of RMB10.0 million subscribed on 6 March 2019;
- the Fourth Subscription for HS Wealth Management Product of RMB8.0 million subscribed on 15 March 2019; and
- the Fifth Subscription for HS Wealth Management Product of RMB10.0 million subscribed on 21 March 2019.

CRTC Wealth Management Product

- the subscription for CRTC Wealth Management Product of RMB100.0 million subscribed on 23 January 2019.

Principal terms of each of the Wealth Management Products are set out below:

CEB Wealth Management Product

The Subscription for CEB Wealth Management Product

Date of subscription:	19 July 2018
Parties:	(1) Shanghai Doright, as the subscriber; and (2) CEB, as the issuer.
Name of the wealth management product:	Half Year Institutional Wealth Management (Product Code: EB4325) (機構理財半年盈, 產品代碼EB4325)
Subscription amount:	RMB100.0 million
Term of investment period:	From 19 July 2018 to 19 January 2019
Type of the product:	Principal not guaranteed with floating return
Investment portfolio:	The funds raised through this issue of wealth management product will be invested in bank deposits, money market instruments, bonds, IPO subscription trust, quasi-bonds instruments and other financial instruments that comply with the relevant rules and regulations.
Expected rate of return per annum:	4.8%
Early termination:	The Company does not have a right of early termination.

CCB Wealth Management Product

The First Subscription for CCB Wealth Management Product

Date of subscription:	8 November 2018
Parties:	(1) Shanghai Doright, as the subscriber; and (2) CCB, as the issuer.
Name of the wealth management product:	Win-win Growth Cycle 91 days (Product Code: B160C0252) (共贏成長周期91天, 產品代碼 B160C0252)
Subscription amount:	RMB39.0 million
Term of investment period:	From 8 November 2018 to 7 February 2019
Type of the product:	Principal not guaranteed with floating return
Investment portfolio:	The funds raised through this issue of wealth management product will be invested in money market instruments such as cash, bank deposits etc.; fixed income instruments such as bonds, assets-backed securities etc.; equity instruments such as Stock-based securities investment fund, stock ETF and other financial instruments that comply with the relevant rules and regulations
Expected rate of return per annum:	4.5%
Early termination:	The Company does not have a right of early termination.

The Second Subscription for CCB Wealth Management Product

Date of subscription:	30 November 2018
Parties:	(1) Shanghai Doright, as the subscriber; and (2) CCB, as the issuer.
Name of the wealth management product:	Win-win Growth Cycle 91 days (Product Code: B160C0252) (共贏成長周期91天, 產品代碼 B160C0252)
Subscription amount:	RMB50.0 million
Term of investment period:	From 30 November 2018 to 1 March 2019
Type of the product:	Principal not guaranteed with floating return
Investment portfolio:	The funds raised through this issue of wealth management product will be invested in money market instruments such as cash, bank deposits etc.; fixed income instruments such as bonds, assets-backed securities etc.; equity instruments such as Stock-based securities investment fund, stock ETF and other financial instruments that comply with the relevant rules and regulations
Expected rate of return per annum:	4.3%
Early termination:	The Company does not have a right of early termination.

The Third Subscription for CCB Wealth Management Product

Date of subscription:	15 March 2019
Parties:	(1) Shanghai Doright, as the subscriber; (2) CCB, as the issuer.
Name of the wealth management product:	Win-win Growth Cycle 91 days (Product Code: B160C0252) (共贏成長周期91天, 產品代碼 B160C0252)
Subscription amount:	RMB60.0 million
Term of investment period:	From 15 Mach 2019 to 14 June 2019
Type of the product:	Principal not guaranteed with floating return
Investment portfolio:	The funds raised through this issue of wealth management product will be invested in money market instruments such as cash, bank deposits etc.; fixed income instruments such as bonds, assets-backed securities etc.; equity instruments such as Stock-based securities investment fund, stock ETF and other financial instruments that comply with the relevant rules and regulations.
Expected rate of return per annum:	4.3%
Early termination:	The Company does not have a right of early termination.

HS Wealth Management Products

The First Subscription for HS Wealth Management Product

Date of subscription:	3 December 2018
Parties:	(1) Shanghai Jiancheng, as the subscriber; (2) HS, as the issuer; and (3) CMB, as the custodian.
Name of the wealth management product:	Zijin Exclusive No.1 Collective Assets Management Plan (Product Code: 941322) (紫金尊享1號集合資產管理計劃, 產品代碼941322)
Subscription amount:	RMB15.0 million
Term of investment period:	From 4 December 2018 to 2 June 2019
Type of the product:	Principal not guaranteed with floating return
Investment portfolio:	The funds raised through this issue of wealth management product will be invested in cash, bank deposits, government bonds, central bank bill, financial debt, corporate bonds, detachable bonds, convertible bonds, exchangeable bonds, private equity bonds for SMEs, short-term financing bill, medium-term note and other financial instruments that comply with the relevant rules and regulations.
Expected rate of return per annum:	4.9%
Early termination:	The Company does not have a right of early termination.

The Second Subscription for HS Wealth Management Product

Date of subscription:	4 March 2019
Parties:	(1) Shanghai Jiancheng, as the subscriber; (2) HS, as the issuer; and (3) CMB, as the custodian.
Name of the wealth management product:	One Hundred Eighteenth Zijin No.1 Collective Assets Management Plan (Product Code: 941387) (紫金1號集合資產管理計劃118期, 產品代碼941387)
Subscription amount:	RMB10.0 million
Term of investment period:	From 5 March 2019 to 25 February 2020
Type of the product:	Principal not guaranteed with floating return
Investment portfolio:	The funds raised through this issue of wealth management product will be invested in cash, bank deposits, government bonds, central bank bill, financial debt, corporate bonds, detachable bonds, convertible bonds, exchangeable bonds, private equity bonds for SMEs, short-term financing bill, medium-term note and other financial instruments that comply with the relevant rules and regulations.
Expected rate of return per annum:	4.5%
Early termination:	The Company does not have a right of early termination.

The Third Subscription for HS Wealth Management Product

Date of subscription:	6 March 2019
Parties:	(1) Shanghai Jiancheng, as the subscriber; (2) HS, as the issuer; and (3) CMB, as the custodian.
Name of the wealth management product:	One Hundred Nineteenth Zijin No.1 Collective Assets Management Plan (Product Code: 941388) (紫金1號集合資產管理計劃119期, 產品代碼941388)
Subscription amount:	RMB10.0 million
Term of investment period:	From 7 March 2019 to 25 February 2020
Type of the product:	Principal not guaranteed with floating return
Investment portfolio:	The funds raised through this issue of wealth management product will be invested in cash, bank deposits, government bonds, central bank bill, financial debt, corporate bonds, detachable bonds, convertible bonds, exchangeable bonds, private equity bonds for SMEs, short-term financing bill, medium-term note and other financial instruments that comply with the relevant rules and regulations.
Expected rate of return per annum:	4.5%
Early termination:	The Company does not have a right of early termination.

The Fourth Subscription for HS Wealth Management Product

Date of subscription:	15 March 2019
Parties:	(1) Shanghai Jiancheng, as the subscriber; (2) HS, as the issuer; and (3) CMB, as the custodian.
Name of the wealth management product:	Ru Yi Bao No.3 Collective Assets Management Plan (Product Code: 941404) (如意寶3號集合資產管理計劃, 產品代碼941404)
Subscription amount:	RMB8.0 million
Term of investment period:	From 18 March 2019 to 14 September 2019
Type of the product:	Principal not guaranteed with floating return
Investment portfolio:	The funds raised through this issue of wealth management product will be invested in wealth management products issued by commercial banks, collective assets management plan issued by security companies, trust plan, bank deposits, money market funds, government bonds, central bank bills, financial bonds, corporate bonds and other financial instruments that comply with the relevant rules and regulations.
Expected rate of return per annum:	4.5% to 4.9%
Early termination:	The Company does not have a right of early termination.

The Fifth Subscription for HS Wealth Management Product

Date of subscription:	21 March 2019
Parties:	(1) Shanghai Jiancheng, as the subscriber; (2) HS, as the issuer; and (3) CMB, as the custodian.
Name of the wealth management product:	One Hundred Twenty Third Zijin No.1 Collective Assets Management Plan (Product Code: 941392) (紫金1號集合資產管理計劃123期, 產品代碼941392)
Subscription amount:	RMB10.0 million
Term of investment period:	From 22 March 2019 to 10 March 2020
Type of the product:	Principal not guaranteed with floating return
Investment portfolio:	The funds raised through this issue of wealth management product will be invested in cash, bank deposits, government bonds, central bank bill, financial debt, corporate bonds, detachable bonds, convertible bonds, exchangeable bonds, private equity bonds for SMEs, short-term financing bill, medium-term note and other financial instruments that comply with the relevant rules and regulations.
Expected rate of return per annum:	4.5%
Early termination:	The Company does not have a right of early termination.

CRTC Wealth Management Products

The Subscription for CRTC Wealth Management Product

Date of subscription:	23 January 2019
Parties:	(1) Shanghai Jiancheng, as the subscriber; and (2) CRTC, as the issuer.
Name of the wealth management product:	Fu Li No.2 Collective Funds Trust Plan (Product Code: FGDA90027A) (富利2號集合資金信託計劃, 產品代碼FGDA90027A)
Subscription amount:	RMB100.0 million
Term of investment period:	From 23 January 2019 to 23 November 2019
Type of the product:	Principal not guaranteed with floating return
Investment portfolio:	The funds raised through this issue of wealth management product will be invested in current assets, other standard credit assets, financing assets, investment assets, financial institution products, protection fund of trust industry and other financial instruments that comply with the relevant rules and regulations.
Expected rate of return per annum:	5.0%
Early termination:	The Company does not have a right of early termination.

REASONS AND BENEFITS FOR SUBSCRIBING FOR THE WEALTH MANAGEMENT PRODUCTS

In order to enhance the capital efficiency as well as the return from working capital, the Group reasonably utilises its idle capital to subscribe for the Wealth Management Products issued by the commercial banks and other financial institutions in the PRC to earn additional income without affecting its normal operations. At the same time, the Wealth Management Products offer a better potential return to the Group when compared to the deposit interest rates normally offered by commercial banks in the PRC. The condition of the Wealth Management Products has been closely and effectively monitored by the Company, and the Group has not experienced any losses on the Wealth Management Products up to and as at the date of this announcement.

The Directors are of the view that the subscriptions for the Wealth Management Products are determined on normal commercial terms and are fair and reasonable, and that the entering into of the agreements for subscriptions for the Wealth Management Products is in the interests of the Company and the Shareholders as a whole.

INFORMATION ABOUT THE PARTIES

The Company is principally engaged in the business of design, manufacturing, marketing and sale of apparel products and accessories in the PRC, with a focus on menswear.

Each of CEB, CCB and CMB is a licensed bank established under the laws of the PRC, which is principally engaged in the provision of corporate and personal banking and other financial services in the PRC.

HS is a licensed securities company established under the laws of the PRC, which is principally engaged in the provision of securities brokerage, proprietary trading of securities, securities underwriting and other financial services in the PRC.

CRTC is a licensed trust company established under the laws of the PRC, which is principally engaged in the provision of fund trust, securities trust, investment fund and other financial services in the PRC.

To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, each of CEB, CCB, CMB, HS and CRTC and their respective ultimate beneficial owners are independent third parties independent of the Company and its connected persons.

LISTING RULES IMPLICATIONS

Pursuant to Rule 14.07 of the Listing Rules, as one of the applicable percentage ratios (defined under the Listing Rules) of the subscription amount of the CEB Wealth Management Product exceeds 5% but is less than 25%, the subscription for CEB Wealth Management Product constituted a discloseable transaction of the Company for the purposes of the Listing Rules and is subject to the reporting and announcement requirements under Rule 14.34 of the Listing Rules.

Pursuant to Rule 14.07 of the Listing Rules, as one of the applicable percentage ratios of each of the subscription amounts of the CCB Wealth Management Product exceeds 5% but is less than 25%, each of the subscriptions for CCB Wealth Management Product constituted a discloseable transaction of the Company for the purposes of the Listing Rules and is subject to the reporting and announcement requirements under Rule 14.34 of the Listing Rules.

Each of the subscriptions for the HS Wealth Management Products by itself does not constitute a discloseable transaction of the Company. However, pursuant to Rule 14.22 of the Listing Rules, given that all such subscriptions were made within a 12-month period with the same counterparty, HS, and they were still outstanding as at the date of this announcement, each of the outstanding subscriptions with HS will be calculated in aggregate and one of the applicable percentage ratios exceeds 5% but is less than 25%. Therefore, all the outstanding subscriptions with HS constituted a discloseable transaction of the Company for the purposes of the Listing Rules and is subject to the reporting and announcement requirements under Rule 14.34 of the Listing Rules.

Pursuant to Rule 14.07 of the Listing Rules, as one of the applicable percentage ratios of the subscription amount of the CRTC Wealth Management Product exceeds 5% but is less than 25%, the subscription for CRTC Wealth Management Product constituted a discloseable transaction of the Company for the purposes of the Listing Rules and is subject to the reporting and announcement requirements under Rule 14.34 of the Listing Rules.

The Company understands that it should have informed the Stock Exchange and published an announcement as soon as possible in accordance with Rule 14.34 of the Listing Rules as and when the obligations for subscriptions for the Wealth Management Products arose. The Company admits its delay in compliance with the said requirements under the Listing Rules is due to unintentional oversight.

REMEDIAL ACTIONS

The Company deeply regrets its non-compliance with Rule 14.34 of the Listing Rules but the Company would like to stress that the non-compliance was inadvertent and no intentional. In order to prevent re-occurrence of similar incidents in the future, the Company has implemented the following remedial actions with immediate effect:

- (1) close monitor, periodic review and report by the finance department on the subscription for wealth management product;
- (2) enhance the training provided to the Directors, the senior management and responsible staff on the compliance requirements and practical knowledge of notifiable transactions, so as to reinforce their understanding of and importance of compliance with the Listing Rules;

- (3) remind its management to report those transactions which may constitute potential notifiable transactions for assessment of the disclosure obligations prior to the entering into of those transactions; and
- (4) seek advices from professional advisers as to action required to be taken in relation to any proposed transactions or events in the future.

Going forward, the Company will continue to comply with the management procedures of its subscription for wealth management products and make appropriate disclosure in a timely manner to ensure compliance with the Listing Rules.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following respective meanings:

“Board”	the board of Directors of the Company
“CCB”	China CITIC Bank, Guangzhou Kejiyuan Branch (中信銀行廣州科技園支行)
“CCB Wealth Management Products”	Win-win Growth Cycle 91 days (Product Code: B160C0252) (共贏成長周期 91 天, 產品代碼 B160C0252) product offered by CCB
“CEB”	China Everbright Bank Company Limited Shanghai Putuo Branch (中國光大銀行股份有限公司上海普陀支行)
“CEB Wealth Management Product”	Half Year Institutional Wealth Management (Product Code: EB4325) (機構理財半年盈, 產品代碼 EB4325) product offered by CEB
“CMB”	China Merchants Bank Co., Ltd. (招商銀行股份有限公司)
“Company”	China Outfitters Holdings Limited, a company incorporated in the Cayman Islands which has its shares listed on the main board on the Stock Exchange
“CRTC”	China Railway Trust Company Limited (中鐵信託有限責任公司)
“CRTC Wealth Management Product”	Fu Li No.2 Collective Funds Trust Plan (Product Code: FGDA90027A) (富利 2 號集合資金信託計劃, 產品代碼 FGDA90027A) product offered by CRTC
“Director(s)”	the director(s) of the Company

“Fifth Subscription for HS Wealth Management Product”	the wealth management product agreement entered into between the Company and HS on 21 March 2019 with the subscription amount of RMB10.0 million
“First Subscription for CCB Wealth Management Product”	the wealth management product agreement entered into between the Company and CCB on 8 November 2018 with the subscription amount of RMB39.0 million
“First Subscription for HS Wealth Management Product”	the wealth management product agreement entered into between the Company and HS on 3 December 2018 with the subscription amount of RMB15.0 million
“Fourth Subscription for HS Wealth Management Product”	the wealth management product agreement entered into between the Company and HS on 15 March 2019 with the subscription amount of RMB8.0 million
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“HS”	Huatai Securities Co., Ltd. (華泰證券股份有限公司)
“HS Wealth Management Products”	Zijin Exclusive No.1 Collective Assets Management Plan (Product Code: 941322) (紫金尊享 1 號集合資產管理計劃, 產品代碼 941322), One Hundred Eighteenth Zijin No.1 Collective Assets Management Plan (Product Code: 941387) (紫金 1 號集合資產管理計劃 118 期, 產品代碼 941387), One Hundred Nineteenth Zijin No.1 Collective Assets Management Plan (Product Code: 941388) (紫金 1 號集合資產管理計劃 119 期, 產品代碼 941388), Ru Yi Bao No.3 Collective Assets Management Plan (Product Code: 941404) (如意寶 3 號集合資產管理計劃, 產品代碼 941404) and One Hundred Twenty Third Zijin No.1 Collective Assets Management Plan (Product Code: 941392) (紫金 1 號集合資產管理計劃 123 期, 產品代碼 941392) products offered by HS
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of PRC
“Second Subscription for CCB Wealth Management Products”	the wealth management product agreement entered into between the Company and CCB on 30 November 2018 with the subscription amount of RMB50.0 million

“Second Subscription for HS Wealth Management Products”	the wealth management product agreement entered into between the Company and HS on 4 March 2019 with the subscription amount of RMB10.0 million
“Shanghai Doright”	Shanghai Doright Fashion Company Limited (上海同瑞服飾有限公司), a wholly-owned subsidiary of the Company
“Shanghai Jiancheng”	Shanghai Jiancheng Trading Company Limited (上海簡成商貿有限公司), a wholly-owned subsidiary of the Company
“Share(s)”	ordinary share(s) in the capital of the Company
“Shareholder(s)”	the shareholders of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Third Subscription for CCB Wealth Management Products”	the wealth management product agreement entered into between the Company and CCB on 15 March 2019 with the subscription amount of RMB60.0 million
“Third Subscription for HS Wealth Management Products”	the wealth management product agreement entered into between the Company and HS on 6 March 2019 with the subscription amount of RMB10.0 million
“Wealth Management Product(s)”	CCB Wealth Management Product, CEB Wealth Management Product, CRTC Wealth Management Product and HS Wealth Management Products
“%”	Percentage

By Order of the Board
China Outfitters Holdings Limited
Zhang Yongli
Chairman

Hong Kong, 29 March 2019

As at the date of this announcement, the executive directors of the Company are Mr. Zhang Yongli, Mr. Sun David Lee and Ms. Huang Xiaoyun; the non-executive director is Mr. Wang Wei; and the independent non-executive directors are Mr. Kwong Wilson Wai Sun, Mr. Cui Yi and Mr. Yeung Chi Wai.