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(Stock code: 1146)

DISCLOSEABLE TRANSACTIONS SUBSCRIPTION FOR WEALTH MANAGEMENT PRODUCTS

SUBSCRIPTION FOR WEALTH MANAGEMENT PRODUCTS

The Board announces that on 7 January 2020 and 26 February 2020, the Company used internal resources to subscribe for the Wealth Management Products offered by CMBI, summary of which are set out as follows:

CMBI Wealth Management Products

- the First Subscription for CMBI Wealth Management Product of RMB16.99 million subscribed on 7 January 2020; and
- the Second Subscription for CMBI Wealth Management Product of HK\$100.0 (equivalent to RMB89.99 million) subscribed on 26 February 2020.

LISTING RULES IMPLICATIONS

Pursuant to Rule 14.07 of the Listing Rules, the First Subscription for CMBI Wealth Management Product does not constitute a notifiable transaction of the Company. However, as one of the applicable percentage ratios (defined under the Listing Rules) of the subscription amount of the Second Subscription for CMBI Wealth Management Product exceeds 5% but is less than 25%, the Second Subscription for CMBI Wealth Management Product constituted a discloseable transaction of the Company for the purposes of the Listing Rules.

In addition, pursuant to Rule 14.22 of the Listing Rules, given that both the First and Second Subscriptions for CMBI Wealth Management Products were made within a 12-month period with the same counterparty, CMBI, and they were still outstanding as at the date of this announcement, each of the outstanding subscription amounts with CMBI will be calculated in aggregate and one of the applicable percentage ratios exceeds 5% but is less than 25%. Therefore, both of the First and Second Subscriptions for CMBI Wealth Management Products constituted a discloseable transaction of the Company for the purposes of the Listing Rules and are subject to the reporting and announcement requirements under Rule 14.34 of the Listing Rules.

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

The First Subscription for CMBI Wealth Management Product

Date of subscription:	7 January 2020
Parties:	(1) the Company, as the subscriber; and (2) CMBI, as the issuer.
Name of the wealth management product:	CNH 12 months Fixed Coupon Note - CICCFFP
Subscription amount:	RMB16.99 million
Term of investment period:	From 7 January 2020 to 8 January 2021
Type of the product:	Principal not guaranteed with fixed return
Investment portfolio:	The funds raised through this issue of wealth management product will be invested in fixed rate notes
Expected rate of return per annum:	2.99%
Early termination:	The Company does not have a right of early termination.

The Second Subscription for CMBI Wealth Management Product

Date of subscription:	26 February 2020
Parties:	(1) the Company, as the subscriber; and (2) CMBI, as the issuer.
Name of the wealth management product:	China Huarong International Holdings Limited credit linked notes due on 3 September 2020 issued by Huatai International Financial Products Limited
Subscription amount:	HK\$100.0 million (equivalent to RMB89.99 million)
Term of investment period:	From 26 February 2020 to 3 September 2020
Type of the product:	Principal not guaranteed with fixed return
Investment portfolio:	The funds raised through this issue of wealth management product will be invested in the credit linked notes
Expected rate of return per annum:	3.10%
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 wealth management products issued by the commercial banks and other financial institutions in the PRC and Hong Kong to earn additional income without affecting its normal operations. At the same time, 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 and Hong Kong. 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.

“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
“Director(s)”	the director(s) of the Company
“First Subscription for CMBI Wealth Management Product”	the wealth management product agreement entered into between the Company and CMBI on 7 January 2020 with the subscription amount of RM16.99 million
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“HK\$”	Hong Kong Dollar, the lawful currency of Hong Kong
“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 CMBI Wealth Management Product”	the wealth management product agreement entered into between the Company and CMBI on 26 February 2020 with the subscription amount of HK\$100.0 million
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) as amended, supplemented, or otherwise modified from time to time
“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
“Wealth Management Product(s)”	CNH 12 months Fixed Coupon Note – CICCFFP and China Huarong International Holdings Limited credit linked notes due on 3 September 2020 issued by Huatai International Financial Products Limited offered by CMBI
“%”	Percentage

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

Shanghai, 27 February 2020

As at the date of this announcement, the executive Directors 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.