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(Stock code: 1146)

INSIDE INFORMATION AND PROFIT WARNING

This announcement is made by China Outfitters Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities (“**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) 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 (the “**Board**”) of the directors of the Company wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that, based on the information currently available to the Group, it is expected that Group will record a loss attributable to equity holders of the parent (the “**Net Loss**”) ranging from RMB100,000,000 to RMB130,000,000 for the year ended 31 December 2020 (the “**Relevant Year**”), as compared to a profit attributable to equity holders of the parent of RMB19,930,000 for the year ended 31 December 2019.

The expected Net Loss was mainly attributable to:

- (i) a decrease in revenue due to the outbreak of COVID-19 in early 2020 and subsequent nationwide lockdown has caused a decline in customer flows in the department stores and shopping malls where our retail points operate;
- (ii) a decrease in gross profit margin due to the decrease in selling price which aimed to increase sales of Jeep branded products as the licensing agreement to sell Jeep branded men’s casual apparel and accessories was terminated on 31 December 2020;
- (iii) a decrease in government subsidies and interest income; and
- (iv) an increase of impairment of goodwill and trademarks.

Notwithstanding the impact of the above-mentioned factors, the Board is of the view that the Group has achieved steady progress in its strategic development, and the operational and financial position of the Group remains sound and stable.

As the Company is still in the process of finalising the annual results of the Group for the Relevant Year, the information contained in this announcement is only based on the preliminary assessment by the Board with reference to the information currently available, which has not yet been audited by or discussed with the auditors of the Company. The actual results of the Group for the Relevant Year may be different from what is contained in this announcement. The annual results announcement of the Company for the Relevant Year is expected to be released in March 2021.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in shares of the Company.

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

Shanghai, 23 February 2021

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.