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(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1146)

SUPPLEMENTAL ANNOUNCEMENT DISCLOSEABLE TRANSACTION FORMATION OF PARTNERSHIP

Reference is made to the announcements of the Company dated 27 December 2023 and 24 January 2024 (the “**Announcements**”) regarding (i) the inside information in respect of memorandum of understanding in relation to possible formation of the partnerships; and (ii) discloseable transaction in relation to formation of partnership. Unless otherwise defined, capitalised terms used herein shall have the same meaning as those defined in the Announcements.

The Company wishes to provide Shareholders and potential investors with supplemental information to the Announcements.

BASIS OF DETERMINING THE CAPITAL CONTRIBUTION TO THE PARTNERSHIP 2

The capital needs of RMB100,000,000 of the Partnership 2 was determined on the basis of (i) the parties’ anticipation approximately 4 to 5 investment projects would be invested initially and the total cumulative investment by the Partnership 2 in a single investment project would not exceed 20% of the total paid-in capital contribution of the Partnership 2 unless approval of the partners is obtained in accordance with the terms of the Partnership Agreement 2; and (ii) the customary minimum eligible amount of paid-in capital contribution of a partnership in order to invest in the relevant sectors.

The capital contribution of each partner was determined having regard that Gree Financial Investment (through its wholly-owned subsidiary, Gree Equity) possesses the license for fund management business and has the expertise and experience in equity investments and is responsible for identifying the investment target, and after arm’s length negotiations among the partners, the Company (through its wholly-owned subsidiary, Guangdong Junrui) shall contribute a higher capital contribution relative to Gree Financial Investment (through its wholly-owned subsidiary, Zhuhai Xingge, and the Partnership 1) in the Partnership 2.

In view of the above, the Board is of the view that the basis of determining the capital contribution to the Partnership 2 is fair and reasonable.

As at the date of this announcement, the Partnership 2 has not identified any potential investment targets and thus the Partnership 2 does not have any concrete plan for the usage of the capital contribution to the Partnership 2.

REASONS FOR AND BENEFITS OF THE FORMATION OF THE PARTNERSHIP 2

As disclosed in the Announcements, the Partnership 2 shall invest in the fields of new generation information technology, new energy, integrated circuits, intelligent manufacturing, biomedicine and health, smart home appliances, equipment manufacturing and fine chemicals. The Board considered that the Partnership 2 would prioritize investments in areas that can generate synergies with the business of the Company, such as:

- (1) New generation information technology and new energy sources that would probably allow the Company to leverage big data analytics to make data-driven decisions, thereby improving transaction and management efficiency, optimizing pricing strategies and identifying new business opportunities;
- (2) New energy sources that would probably allow the Company to implement energy-efficient technologies that reduce energy consumption in the apparel industry;
- (3) Integrated circuits, intelligent manufacturing and equipment manufacturing that would probably enable the automation of various manufacturing processes in the apparel industry that reduces labor costs, increases production speed and improves overall manufacturing productivity;
- (4) biomedicine and health innovations and fine chemicals that would probably contribute to the development of smart fabrics with improved fit and specialized garments that can provide therapeutic benefits (such as aiding in wound healing and assisting in posture correction, etc.); and
- (5) Smart home appliances (such as smart washing machines or irons) that would probably offer convenience to customers of the Company and making them easier to maintain and care for their garments, thereby enhancing their overall customer experience.

Gree Equity, as a professional fund management company and the Fund Manager of the Partnership 2, possesses the expertise and experience in investment in above areas. The Board is also optimistic of the long-term prospect of the investment projects in such fields and is of the view that the capital contribution to the Partnership 2 represents an opportunity to expand the Group's investment portfolio which complements the Group's existing business and allow the Group to diversify its business and sources of revenue.

Based on the above reasons, the Board considered the capital contribution to the Partnership 2 as fair and reasonable and in the interest of the Company and its Shareholders as a whole.

Save as the supplemental information as disclosed above, all other information contained in the Announcements remain unchanged.

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

Shanghai, 30 January 2024

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. Yeung Chi Wai and Mr. Ho Ka Wang.