中國服飾控股有限公司
CHINA OUTFITTERS HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1146)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2012

The board of directors (the "**Board**") of China Outfitters Holdings Limited (the "**Company**") is pleased to announce the consolidated results of the Company and its subsidiaries (collectively, the "**Group**") for the year ended 31 December 2012, together with the comparative figures for the previous year, as follows:

FINANCIAL HIGHLIGHTS

	2012	2011	
	RMB million	*RMB million*	*Changes*
REVENUE	**1,407.8**	1,248.0	+12.8%
Gross profit	**1,054.5**	949.9	+11.0%
Gross profit margin	***74.9%***	*76.1%*	*(1.2 p.p.t.)*
Operating profit	**579.5**	539.6	7.4%
Operating profit margin	***41.2%***	*43.2%*	*(2.0 p.p.t.)*
Profit attributable to owners of the parent	**460.2**	408.2	+12.7%
Earnings per share — RMB cents	**13.3**	13.7	(2.9%)
Proposed dividends per share — HK cents			
Final	**8.2**	7.3	+12.3%
Special final	**1.8**	—	

FINANCIAL RESULTS

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December

	Notes	2012 RMB'000	2011 RMB'000
REVENUE	5	**1,407,777**	1,248,026
Cost of sales		**(353,325)**	(298,124)
Gross profit		**1,054,452**	949,902
Other income and gains, net	5	**45,509**	26,122
Selling and distribution costs		**(443,595)**	(385,087)
Administrative expenses		**(75,426)**	(33,581)
Other expenses		**(1,424)**	(17,802)
Operating profit		**579,516**	539,554
Finance income	6	**45,445**	16,262
PROFIT BEFORE TAX	7	**624,961**	555,816
Income tax expense	8	**(164,706)**	(144,590)
PROFIT FOR THE YEAR		**460,255**	411,226
OTHER COMPREHENSIVE INCOME			
Exchange differences on translation of foreign operations		**(145)**	660
TOTAL COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX		**460,110**	411,886
Profit attributable to:			
Owners of the parent		**460,246**	408,226
Non-controlling interests		**9**	3,000
		460,255	411,226
Total comprehensive income attributable to:			
Owners of the parent		**460,105**	408,886
Non-controlling interests		**5**	3,000
		460,110	411,886
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	10		
Basic and diluted		**RMB13.3 cents**	RMB13.7 cents

Details of the dividends proposed and paid for the year are disclosed in note 9.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December

	Notes	2012 RMB'000	2011 RMB'000
NON-CURRENT ASSETS			
Property, plant and equipment		**86,504**	81,762
Prepaid land lease payments		**42,230**	42,913
Investment properties		**5,405**	5,538
Goodwill		**70,697**	70,697
Other intangible assets		**67,513**	67,729
Deferred tax assets		**42,832**	31,244
Total non-current assets		**315,181**	299,883
CURRENT ASSETS			
Inventories	*11*	**386,195**	336,454
Trade and bills receivables	*12*	**122,963**	105,095
Prepayments, deposits and other receivables		**56,049**	48,859
Structured bank deposits	*13*	**1,082,800**	245,000
Pledged bank deposits		**—**	3,952
Cash and cash equivalents		**378,894**	1,035,079
Total current assets		**2,026,901**	1,774,439
CURRENT LIABILITIES			
Trade and bills payables	*14*	**40,825**	26,426
Deposits received, other payables and accruals		**136,375**	197,216
Tax payable		**174,379**	175,861
Total current liabilities		**351,579**	399,503
NET CURRENT ASSETS		**1,675,322**	1,374,936
TOTAL ASSETS LESS CURRENT LIABILITIES		**1,990,503**	1,674,819
NON-CURRENT LIABILITIES			
Deferred tax liabilities		**19,024**	14,209
Net assets		**1,971,479**	1,660,610
EQUITY			
Equity attributable to owners of the parent			
Issued capital	*15*	**280,661**	279,120
Reserves		**1,408,968**	1,172,825
Proposed final and special final dividends	*9*	**279,374**	204,113
		1,969,003	1,656,058
Non-controlling interests		**2,476**	4,552
Total equity		**1,971,479**	1,660,610

1. CORPORATE INFORMATION

The Company was incorporated in the Cayman Islands on 7 March 2011 as an exempted company with limited liability under the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The registered office of the Company is 190 Elgin Avenue, George Town, Grand Cayman KY1-9005, Cayman Islands. The address of its principal place of business is Unit 713, 7/F, East Ocean Centre, 98 Granville Road, Tsim Sha Tsui East, Kowloon, Hong Kong. The shares of the Company were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on 9 December 2011 (the "Listing Date").

The principal activity of the Company is investment holding. The Group is principally engaged in the business of the design, manufacture, marketing and sale of apparel products and accessories in the People's Republic of China (the "PRC", or Mainland China which excludes, for the purpose of this report, the Hong Kong Special Administrative Region of the PRC or Hong Kong, the Macau Special Administrative Region of the PRC or Macau, and Taiwan), with a focus on menswear. There has been no significant change in the Group's principal activities during the year.

In the opinion of the directors of the Company (the "Directors"), as of the date of this announcement, the immediate holding company and the ultimate holding company of the Company are CEC Outfitters Limited and China Enterprise Capital Limited, respectively, which were incorporated in the British Virgin Islands (the "BVI").

2. BASIS OF PREPARATION

These financial statements have been prepared in accordance with International Financial Reporting Standards ('IFRSs", which include all International Financial Reporting Standards, International Accounting Standards ("IAS") and Interpretations) issued by the International Accounting Standards Board (the "IASB") and disclosure requirements of the Hong Kong Companies Ordinance.

These financial statements have been prepared under the historical cost convention. They are presented in Renminbi ("RMB") and all values are rounded to the nearest thousand except when otherwise indicated.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries (collectively referred to as the "Group") for the year ended 31 December 2012. The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases. All intra-group balances, transactions, unrealised gains and losses resulting from intra-group transactions and dividends are eliminated on consolidation in full.

Total comprehensive income within a subsidiary is attributed to the non-controlling interest even if it results in a deficit balance.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

3. CHANGES IN ACCOUNTING POLICY AND DISCLOSURES

The Group has adopted the following revised IFRSs for the first time for the current year's financial statements.

IFRS 1 Amendments	Amendments to IFRS 1 *First-time Adoption of International Financial Reporting Standards — Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters*
IFRS 7 Amendments	Amendments to IFRS 7 *Financial Instruments: Disclosures — Transfers of Financial Assets*
IAS 12 Amendments	Amendments to IAS 12 *Income Taxes — Deferred Tax: Recovery of Underlying Assets*

The adoption of the revised IFRSs has had no significant financial effect on these financial statements.

4. OPERATING SEGMENT INFORMATION

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

IFRS 8 *Operating Segments* requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to segments and to assess their performance. The information reported to the Directors, who are the chief operating decision makers for the purpose of resource allocation and assessment of performance, does not contain profit or loss information of each product line and the Directors reviewed the financial results of the Group as a whole reported under IFRSs. Therefore, the operation of the Group constitutes one single reportable segment. Accordingly, no operating segment is presented.

All of the external revenues of the Group during the financial periods presented are attributable to customers established in the PRC, the place of domicile of the Group's operating entities. Since the principal non-current assets held by the Group are located in the PRC, no geographical information is presented in accordance with IFRS 8.

No revenue from a single external customer amounted to 10% or more of the Group's revenue during the financial periods presented.

5. REVENUE AND OTHER INCOME AND GAINS, NET

Revenue, which is also the Group's turnover, represents the net invoiced value of goods sold after trade discounts.

An analysis of revenue, other income and gains is as follows:

	2012	2011
	RMB'000	*RMB'000*
Revenue		
Sale of goods	**1,407,777**	1,248,026
Other income and gains, net		
Government subsidies*	**39,313**	21,473
Arrangement fees#	**3,094**	2,640
Rental income, net	**322**	130
Sale of consumables, net	**2,536**	1,818
Gain on disposal of items of property, plant and equipment	**85**	—
Others	**159**	61
	45,509	26,122

* These represent incentive subsidies provided by local governments as a measure to attract investments in these localities. The amounts of these subsidies are generally determined by reference to value-added tax, corporate income tax, city maintenance and construction tax and other taxes paid by the Group's operating entities in these localities, but are subject to the government's further discretion.

\# These represent the one-off charge paid by third-party retailers when they enter into the initial retail agreements with the Group.

6. FINANCE INCOME

	2012	2011
	RMB'000	*RMB'000*
Interest income on bank deposits	**10,237**	12,836
Interest income from structured bank deposits	**35,208**	3,426
	45,445	16,262

7. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging/(crediting):

		2012	2011
	Note	*RMB'000*	*RMB'000*
Cost of inventories sold		**274,268**	251,450
Depreciation			
Property, plant and equipment		**8,882**	6,753
Investment properties		**133**	158
		9,015	6,911
Amortisation of prepaid land lease payments*		**965**	738
Amortisation of intangible assets*		**249**	249
Minimum lease payments under operating leases in respect of buildings		**10,209**	6,602
Auditors' remuneration		**2,200**	2,378
Employee benefit expenses (including directors' remuneration):			
Wages and salaries		**59,470**	42,717
Equity-settled share option expenses		**31,928**	1,529
Pension scheme contributions		**8,956**	6,542
		100,354	50,788
Impairment of trade receivables	*12*	**—**	29
Write-down of inventories to net realisable value#		**79,057**	46,674
Foreign exchange differences, net		**1,424**	(1,099)

* The amortisation of prepaid land lease payments and intangible assets for the year are included in "Administrative expenses" in the consolidated statement of comprehensive income.

The write-down of inventories to net realisable value is included in "Cost of sales" in the consolidated statement of comprehensive income.

8. INCOME TAX EXPENSE

The Group is subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which members of the Group are domiciled and operate.

The Company and its subsidiary incorporated in the BVI are exempted from taxation.

No provision for Hong Kong profits tax has been made as the Group had no assessable profits derived from or earned in Hong Kong during the year.

In accordance with the relevant PRC income tax rules and regulations, the Group's subsidiaries registered in the PRC are subject to Corporate Income Tax ("CIT") at a statutory rate of 25% on their respective taxable income for the year ended 31 December 2012.

	2012	2011
	RMB'000	*RMB'000*
Current — PRC		
Charge for the year	**171,479**	152,676
Deferred	**(6,773)**	(8,086)
Total tax charge for the year	**164,706**	144,590

A reconciliation of the tax expense applicable to profit before tax at the statutory rate for the jurisdictions in which the Company and the majority of its subsidiaries are domiciled to the tax expense at the effective tax rate, and a reconciliation of the applicable rate (i.e., statutory tax rate) to the effective tax rate, are as follows:

	2012		2011	
	RMB'000	*%*	*RMB'000*	*%*
Profit before tax	**624,961**		555,816	
Tax charge at the statutory tax rate	**156,240**	**25**	138,954	25
Entities subject to lower statutory income tax rates	**2,421**	**—**	5,743	1
Effect of withholding tax on undistributed profits of the PRC subsidiaries	**5,000**	**1**	—	—
Expenses not deductible for tax	**63**	**—**	120	—
Tax losses not recognised	**705**	**—**	656	—
Others	**277**	**—**	(883)	—
Tax charge at the Group's effective tax rate	**164,706**	**26**	144,590	26

9. DIVIDENDS

	2012	2011
	RMB'000	*RMB'000*
Proposed final — HK8.2 cents (2011: HK7.3 cents) per ordinary share	**230,123**	204,113
Proposed special final — HK1.8 cents (2011: Nil) per ordinary share	**49,251**	—
	279,374	204,113

The proposed final dividend and special final dividend for the year are subject to the approval of the Company's shareholders at the forthcoming annual general meeting.

The final dividend for the year ended 31 December 2011 on ordinary shares of RMB204,113,000 was approved by shareholders of the Company at the annual general meeting on 14 May 2012 and was subsequently paid in June 2012.

10. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of basic earnings per share is based on the profit for the year attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 3,451,579,425 (2011: 2,975,667,041) in issue during the year.

No adjustment has been made to the basic earnings per share amounts presented for the years ended 31 December 2012 and 2011 in respect of a dilution as the impact of the share options under the pre-IPO share option scheme outstanding had an anti-dilutive effect on the basic earnings per share amounts presented.

The calculations of basic and diluted earnings per share are based on:

	2012	2011
	RMB'000	*RMB'000*
Earnings		
Profit attributable to ordinary equity holders of the parent, used in the basic earnings per share calculation	**460,246**	408,226

	Number of shares	
	2012	2011
Shares		
Weighted average number of ordinary shares in issue during the year used in the basic earnings per share calculation	**3,451,579,425**	2,975,667,041

11. INVENTORIES

	2012	2011
	RMB'000	*RMB'000*
Raw materials	**17,994**	19,107
Work in progress	**9,590**	13,964
Finished goods	**358,611**	303,383
	386,195	336,454

12. TRADE AND BILLS RECEIVABLES

	2012	2011
	RMB'000	*RMB'000*
Trade receivables	**124,120**	106,504
Impairment	**(1,409)**	(1,409)
Trade receivables, net	**122,711**	105,095
Bills receivable	**252**	—
	122,963	105,095

The Group's trading terms with its customers are mainly on credit, except for third party retailers, where payment in advance is normally required. The credit period normally ranges from 30 to 90 days. The Group grants a longer credit period to those long-standing customers with good payment history.

Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by senior management.

In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. The Group does not hold any collateral or other credit enhancements over these balances.

Trade receivables are non-interest-bearing and the carrying amounts of the trade and bills receivables approximate to their fair values.

An aged analysis of the trade receivables as at 31 December 2011 and 2012, based on the invoice date and net of provision, and the balances of bills receivable are as follows:

	2012	2011
	RMB'000	*RMB'000*
Trade receivables		
Within 60 days	**118,019**	99,596
61 to 90 days	**895**	2,521
91 to 180 days	**1,940**	2,537
181 to 360 days	**1,857**	441
	122,711	105,095
Bills receivable	**252**	—
	122,963	105,095

The bills receivable are due to mature within three months.

The movements in the provision for impairment of trade receivables are as follows:

	2012	2011
	RMB'000	*RMB'000*
At 1 January	**1,409**	1,380
Impairment losses recognised	**—**	29
At 31 December	**1,409**	1,409

The above provision for impairment of trade receivables is the full provision for individually impaired trade receivables. The individually impaired trade receivables relate to customers that were in financial difficulties or in default in payments.

The aged analysis of the trade receivables that are neither individually nor collectively considered to be impaired is as follows:

	2012	2011
	RMB'000	*RMB'000*
Neither past due nor impaired	**118,019**	99,596
1 to 180 days past due	**2,835**	5,058
181 to 360 days past due	**1,857**	441
	122,711	105,095

Receivables that were past due but not impaired relate to a number of independent customers that have a good track record with the Group. Based on past experience, the Directors are of the opinion that no provision for impairment is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable. Receivables that were neither past due nor impaired relate to a large number of diversified customers for whom there was no recent history of default.

13. STRUCTURED BANK DEPOSITS

	2012	2011
	RMB'000	*RMB'000*
Structured bank deposits, in licensed banks in Mainland China, at amortised cost	**1,082,800**	245,000

The structured bank deposits have terms of less than one year and are denominated in RMB.

14. TRADE AND BILLS PAYABLES

An aged analysis of the trade payables as at 31 December 2011 and 2012, based on the invoice date, and the balances of bills payable are as follows:

	2012	2011
	RMB'000	*RMB'000*
Trade payables		
Within 30 days	**36,645**	20,999
31 to 90 days	**3,616**	844
91 to 180 days	**407**	570
181 to 360 days	**157**	61
	40,825	22,474
Bills payable	**—**	3,952
	40,825	26,426

The trade payables are non-interest-bearing and are normally settled on terms of 30 to 45 days.

15. ISSUED CAPITAL

	2012	2011
	HK$'000	*HK$'000*
Authorised:		
1,000,000,000,000 (2011: 1,000,000,000,000) ordinary shares of HK$0.1 each	**100,000,000**	100,000,000
Issued and fully paid:		
3,445,450,000 (2011: 3,426,510,000) ordinary shares of HK$0.1 each	**344,545**	342,651
Equivalent to RMB'000	**280,661**	279,120

A summary of the transactions during the year in the Company's issued ordinary share capital is as follows:

	Notes	Number of shares in issue	Issued capital		Share premium		Total	
			HK$'000	*RMB'000*	*HK$'000*	*RMB'000*	*HK$'000*	*RMB'000*
At 1 January 2011		—	—	—	—	—	—	—
Issue of shares of incorporation and Reorganisation		98,225	10	8	—	—	10	8
Capitalisation issue		2,946,651,775	294,665	240,031	(294,665)	(240,031)	—	—
Issue of new shares for the initial public offering (the "IPO")		479,760,000	47,976	39,081	738,830	601,845	786,806	640,926
		3,426,510,000	342,651	279,120	444,165	361,814	786,816	640,934
Share issue expenses		—	—	—	(54,258)	(44,071)	(54,258)	(44,071)
Proposed final 2011 dividend *(note 9)*		—	—	—	(252,007)	(204,113)	(252,007)	(204,113)
At 31 December 2011 and 1 January 2012		3,426,510,000	342,651	279,120	137,900	113,630	480,551	392,750
Issue of shares under over-allotment option	*(a)*	25,638,000	2,564	2,084	39,483	32,086	42,047	34,170
Repurchase and cancellation of shares	*(b)*	(6,698,000)	(670)	(543)	(9,341)	(7,574)	(10,011)	(8,117)
		3,445,450,000	344,545	280,661	168,042	138,142	512,587	418,803
Share issue expenses	*(a)*	—	—	—	(1,265)	(1,028)	(1,265)	(1,028)
Proposed final and special final 2012 dividends *(note 9)*		—	—	—	(166,777)	(137,114)	(166,777)	(137,114)
At 31 December 2012		3,445,450,000	344,545	280,661	—	—	344,545	280,661

Notes:

(a) On 30 December 2011, the sole global coordinator, UBS AG, Hong Kong Branch, partially exercised the over-allotment option on behalf of the international underwriters requiring the Company to issue and allot 25,638,000 additional shares (the "Over-allotment Shares"). The Over-allotment Shares have been issued and allotted by the Company at HK$1.64 per share, being the offer price under the IPO. Listing of and dealing in the Over-allotment Shares commenced on the Stock Exchange on 5 January 2012. In this regard, the net proceeds from the Over-allotment Shares approximated to HK$40,782,000 (equivalent to RMB33,142,000), of which RMB2,084,000 and RMB31,058,000 were included in the issued capital and share premium, respectively.

(b) All ordinary shares repurchased during the year were cancelled before year end, and the issued share capital of the Company was accordingly reduced by the par value of the repurchased ordinary shares so cancelled. The premium paid on the repurchases of the ordinary shares, of HK$9,341,000 (equivalent to RMB7,574,000), were charged to the share premium account. An amount equivalent to the par value of the ordinary shares cancelled was transferred to the capital redemption reserve.

Details of the repurchases during the year are summarised as follows:

Date of repurchases	**Number of ordinary shares repurchased**	**Purchase price paid per share**		**Aggregate consideration paid**	
		Highest	Lowest		
		HK$	*HK$*	*HK$'000*	*RMB'000*
12 December 2012	1,276,000	1.43	1.40	1,828	1,482
13 December 2012	2,100,000	1.47	1.43	3,098	2,512
14 December 2012	320,000	1.49	1.48	479	388
17 December 2012	698,000	1.50	1.50	1,052	853
18 December 2012	74,000	1.53	1.53	114	92
19 December 2012	2,230,000	1.56	1.48	3,440	2,790
	6,698,000			10,011	8,117

MANAGEMENT DISCUSSION AND ANALYSIS

MARKET OVERVIEW

The global economy remained volatile in the year 2012. The economic recovery in the United States was losing steam, worry of economic collapse in the European Union ("EU") region resurfaced, the Japanese economic growth was essentially stalled and geopolitical risk in selected corners of the world have all added pressures to the already weak and fragile recovery of the world economy from the 2008 financial crisis and threaten a relapse that will again put the world economy right back into recession. At the same time, the PRC government continued to tighten its macro-control measures to unwind the aggressive monetary stimulus introduced right after the 2008 financial crisis, which gradually decelerated the rapid expansion of the Chinese economy. The complicated and ever-changing economic environment in the year 2012 posed huge challenge to China's economic growth. According to the National Bureau of Statistics of China ("NBSC"), the growth rate of China's nominal GDP growth declined in the year 2012 with a reported growth rate of 7.8%.

The slower economic growth also had a negative impact on the retail industry in which the Group operates. According to the NBSC, the total retail sales of consumer products rose 14.3% to RMB20.7 trillion in the year 2012. However, the growth rate was 2.8 percentage points lower than that in 2011. In particular, the growth rate of sale of apparel products by the top 100 key and large-scale retailers had decelerated significantly from 20.4% in 2011 to 12.3% in 2012, according to the National Commercial Information Center of China (CNCIC) (中華全國商業信息中心).

Notwithstanding the relatively tougher operating environment and the increasing competitive market place, the Group recorded revenue of RMB1,407.8 million in the year 2012 representing an increase of 12.8% as compared to that of the previous year; profit attributable to owners of the parent of RMB460.2 million, representing an increase of 12.7% as compared to that of the previous year.

FINANCIAL REVIEW

Revenue

We generate revenue from retail sales of our products to our end consumers, in most cases through self-operated retail points in department stores in major cities in the PRC, which we consider as our core markets, as well as from sales of our products to third-party retailers who directly manage concession counters and retail stores in other cities in the PRC, where we do not operate retail points. In 2012, the Group's revenue reached RMB1,407.8 million, representing an increase of RMB159.8 million, or approximately 12.8% as compared to that of RMB1,248.0 million in 2011.

Revenue from self-operated retail sales increased by RMB86.1 million, or 11.7%, from RMB736.4 in 2011 to RMB822.5 million in 2012 and accounted for approximately 58.4% (2011: 59.0%) of the total revenue. The increase in revenue from self-operated retail points was primarily due to the increase in number of self-operated retail points from 475 at 31 December 2011 to 549 at 31 December 2012 and increase in sales from the ramp-up of the retail points we opened in 2011.

Revenue from sales to third-party retailers increased by RMB73.7 million, or 14.4%, from RMB511.6 in 2011 to RMB585.3 million in 2012 and accounted for approximately 41.6% (2011: 41.0%) of the total revenue. The increase in revenue from third-party retailers was primarily attributable to the expansion in retail network by our third-party retailers. Retail points operated by our third-party retailers increased from 627 at 31 December 2011 to 763 at 31 December 2012.

Save for the continuous expansion of our sales network to 1,312 retail points at 31 December 2012, the increase in revenue also attributable to our successful pricing strategy by increasing unit selling price through optimization of product mix.

By Sales Channel

The table below sets forth the breakdown of the Group's revenue contributed by sales made through our self-operated retail points and sales to third-party retailers:

	2012		2011	
	Revenue RMB million	***% of total revenue***	*Revenue RMB million*	*% of total revenue*
Self-operated retail sales	**822.5**	**58.4%**	736.4	59.0%
Sales to third-party retailers	**585.3**	**41.6%**	511.6	41.0%
Total	**1,407.8**	**100%**	1,248.0	100%

By Brand

Revenue contributed from self-owned brands accounted for approximately 5% to 6% of the total revenue for the both periods indicated. Revenue from our new brands London Fog and Jeep Lady, which were introduced into the PRC apparel market in 2009 and 2011, of the total revenue has been increased from 6.2% in 2011 to 8.4% in 2012.

The table below sets forth our revenue by licensed brands and self-owned brands:

	2012		2011	
	Revenue RMB million	***% of total revenue***	*Revenue RMB million*	*% of total revenue*
Licensed brands	**1,336.2**	**94.9%**	1,173.3	93.9%
Self-owned brands	**71.6**	**5.1%**	76.7	6.1%
Total	**1,407.8**	**100%**	1,248.0	100%

Cost of sales

Our cost of sales increased by RMB55.2 million, or approximately 18.5%, from RMB298.1 million in 2011 to RMB353.3 million in 2012. The increase in cost of sales was primarily due to the increase in inventory provision of RMB32.4 million from RMB46.7 million in 2011 to RMB79.1 million in 2012 and an increase in cost of products sold which was in line with the rising revenue in 2012.

Gross profit and gross profit margin

Our gross profit increased by RMB104.6 million, or approximately 11.0%, from RMB949.9 million in 2011 to RMB1,054.5 million in 2012. The decrease in our overall gross profit margin from 76.1% in 2011 to 74.9% in 2012 was mainly attributable to the increase in inventory provision as aforementioned.

Other income and gains, net

Our other income and gains increased by RMB19.4 million, or approximately 74.2%, from RMB26.1 million in 2011 to RMB45.5 million in 2012, primarily due to the receipt of subsidy income of RMB39.3 million (2011: RMB21.5 million) from the local government.

Selling and distribution costs

Our selling and distribution costs increased by RMB58.5 million, or approximately 15.2%, from RMB385.1 million in 2011 to RMB443.6 million in 2012.

Concession fees for occupying concession counters within department stores and department store charges continued to increase as more marketing and promotional activities were organised by department stores to boost sales during the year.

Labour costs relate to sales and marketing staff increased primarily due to the expansion in our self-operated retail network and the increase of salary levels for our sales and marketing staff.

Other selling and distribution costs, including royalty fees, advertising and promotion expenses, consumable and decoration fess increased in line with the revenue.

Administrative expenses

Our administrative expenses increased by RMB41.8 million, or approximately 124.4%, from RMB33.6 million in 2011 to RMB75.4 million in 2012, primarily due to (i) the adoption of a pre-IPO share option scheme on 9 December 2011 resulted in an increase in equity-settled share option expenses by RMB30.4 million from RMB1.5 million in 2011 to RMB31.9 million in 2012; (ii) the Directors entered into the service contracts with our Company in June 2011 and therefore the Directors' emoluments increased to RMB5.4 million during the year (2011: RMB3.1 million); and (iii) increase in other administrative expenses such as depreciation and amortisation, taxes and surcharges, professional services fees and other operating expenses by RMB9.1 million primarily due to the expansion in operations.

Other expenses

Our other expenses decreased from RMB17.8 million in 2011 to RMB1.4 million in 2012 mainly due to the decrease in the one-off listing expenses of RMB17.8 million incurred in 2011.

Finance income

Our finance income increased to RMB45.4 million in 2012 as compared to that of RMB16.3 million in 2011, representing an increase of 178.5%, primarily because we continued to maintain a relatively strong cash position throughout 2012 as a result of the increase in cash flows from operating activities and the proceeds received from the IPO. The higher proportion of structured bank deposits in our cash and cash equivalents also contributed higher return than that of short-term bank deposits.

Profit before tax

As a result of the foregoing factors, our profit before tax increased by RMB69.2 million, or approximately 12.5%, from RMB555.8 million in 2011 to RMB625.0 million in 2012.

Income tax expense

Our income tax expense increased by RMB20.1 million, or approximately 13.9%, from RMB144.6 million in 2011 to RMB164.7 million in 2012 primarily due to the increase of profit before tax generated by our operating entities in the PRC. The effective income tax rate in 2012 was 26.4% (2011: 26.0%).

Profit for the year

Our profit for the year increased by RMB49.1 million, or approximately 11.9 %, from RMB411.2 million in 2011 to RMB460.3 million in 2012. In addition, the net profit margin slightly decreased from 33.0% in 2011 to 32.7% in 2012 was mainly due to a mixed effect of:

(i) increase in percentage of other income and gains and finance income over total revenue from 3.4% in 2011 to 6.5% in 2012 due to the increase in government subsidies received and our relatively strong cash position, and decrease in percentage of other expenses over total revenue by 1.4 percentage points; offset by

(ii) decrease in gross profit margin from 76.1% in 2011 to 74.9% in 2012 due to the increased inventory provision, and increase in percentage of selling and distribution costs and administrative expense over total revenue from 33.5% in 2011 to 36.9% in 2012 as detailed above.

Profit attributable to owners of the parent

As a result of the foregoing, profit attributable to owners of the parent increased by RMB52.0 million, or approximately 12.7%, from RMB408.2 million in 2011 to RMB460.2 million in 2012.

Working capital management

	2012	2011
Inventory turnover days	**373**	336
Trade receivables turnover days	**30**	29
Trade payables turnover days	**33**	35

The increase in inventory turnover days by 37 days was primarily due to the following reasons:

- the expansion of our self-operated retail points requires us to maintain a higher level of inventory to ensure sufficient stock supply to our expanding sales network and we keep certain adequate level of stock at each self-operated retail point; and
- the turnover days of off-season products with an age from 1 year to 3 years has been increased as we made a relatively optimistic procurement schedule for 2011 inventories whilst the growth in revenue was moderate due to the sluggish retail market since the last quarter of 2011.

Turnover days of trade receivables and payables were comparable for the years indicated.

Liquidity, financial position and cash flow

As at 31 December 2012, we had net current assets of approximately RMB1,675.3 million, as compared to that of RMB1,374.9 million as at 31 December 2011. As at 31 December 2012, the current ratio, being current assets divided by current liabilities, of our Group was 5.8, compared to that of 4.4 as at 31 December 2011.

As at 31 December 2012, we had an aggregate cash and cash equivalents and structured bank deposits of approximately RMB1,461.7 million. Our Group did not have any bank borrowings or other financing facilities during the year. The table below sets forth selected cash flow data from our consolidated statement of cash flows:

	2012	2011
	RMB million	*RMB million*
Net cash flows from operating activities	**360.3**	280.3
Net cash flows used in investing activities	**(1,094.0)**	(235.9)
Net cash flows from/(used in) financing activities	**(197.4)**	379.1
Net increase/(decrease) in cash and cash equivalents	**(931.1)**	423.5
Effect of foreign exchange rate changes, net	**(0.2)**	3.8
Cash and cash equivalents at beginning of year as stated in the consolidated statement of cash flows	**1,036.0**	608.7
Cash and cash equivalents at end of year as stated in the consolidated statement of cash flows	**104.8**	1,036.0
Add: time deposits with original maturity of over three months	**274.1**	3.0
Less: time deposits with original maturity of less than three months when acquired, pledged as security for issuing bank acceptance notes	**—**	(4.0)
Cash and cash equivalents as stated in the consolidated statement of financial position	**378.9**	1,035.0

Operating activities

Net cash flows from operating activities increased from RMB280.3 million in 2011 to RMB360.3 million in 2012 which was primarily attributable to (i) the operating cash inflows before charges in working capital of RMB700.6 million (2011: RMB595.7 million); and (ii) changes in working capital represented decrease of cash of RMB340.3 million (2011: RMB315.4 million).

Investing activities

Net cash flows used in investing activities was RMB1,094.0 million in 2012, representing an increase by RMB858.1 million compared to 2011. The increase was primarily attributable to an increase of investments in structured bank deposits, which was in line with the Group's treasury management strategy to earn a higher return on cash, and partially offset by an increase in finance income due to the strong cash position throughout the year and our treasury management strategy.

Financing activities

Net cash flows of financing activities changed from an inflow of RMB379.1 million in 2011 to an outflow of RMB197.4 million in 2012. The net cash flows used in financing activities primarily represented payment of dividends of RMB204.1 million (2011: RMB75.1 million) and payment of share issue expenses of RMB17.1 million, which was partially offset by the proceeds of RMB34.2 million from exercise of over-allotment option.

Pledge of assets

As at 31 December 2012, no asset of our Group was pledged as a security for bank borrowings or any other financing facilities.

Capital commitments and contingent liability

Capital commitments for acquisition of the intellectual property rights of Zoo York and Artful Doger were RMB50.3 million as at 31 December 2012. Capital commitment for obtaining the licence of Maxim's was RMB13.8 million as at 31 December 2012.

There was no significant contingent liability for the Group as at 31 December 2012.

Foreign exchange management

We conducts business primarily in Hong Kong and the PRC with most of our transactions denominated and settled in Hong Kong dollars ("HK$") and RMB.

We have not entered into any forward contracts to hedge against fluctuations in the exchange rate between RMB and HK$. However, our management monitors foreign exchange exposure regularly and will consider if there is a need to hedge against significant foreign currency exposure, if necessary.

Use of proceeds from the IPO

The shares of the Company were listed on 9 December 2011 on the Stock Exchange. The total net proceeds from the IPO amounted to approximately HK$803.9 million (equivalent to approximately RMB654.8 million), including the net proceeds from the partial exercise of the over-allotment option on 30 December 2011.

The table below sets forth the utilisation of the net proceeds from the IPO and the unused amount as at 31 December 2012. All the unused proceeds were deposited in licensed banks in the PRC and Hong Kong:

Use of fund raised

	Net proceeds from the IPO *(HK$ million)*	**Percentage to total amount** *%*	**Utilised amount as at 31 December 2012** *(HK$ million)*	**Unutilised amount as at 31 December 2012** *(HK$ million)*
Licensing or acquisition of additional recognised international brands	380.7	47	—	380.7
Expansion and enhancement of existing logistical system	193.1	24	—	193.1
Settlement of shareholder's loan	152.8	19	147.1	5.7
General working capital	77.3	10	—	77.3
	803.9	100	147.1	656.8

OPERATION REVIEW

Sales network

Our strategy to use a combination of self-operated retail points as well as retail points operated by third-party retailers to increase our market penetration. We believe that selling our products through a balanced network by establishing a meaningful presence in major cities in the PRC which we consider as our core markets by opening our self-operated retail points and engaging third-party retailers which directly operate stores or concession counters in department stores or shopping malls in cities where we do not operate retail points to expand our sales network has allowed us to penetrate the vast PRC menswear market.

As at 31 December 2012, our sales network comprised a total of 549 self-operated retail points, comprising concession counters, consignment stores and self-operated stores, and 763 retail points, including concession counters and self-operated stores, operated by our third-party retailers.

The following table sets forth the number of our self-operated retail points and retail points operated by our third-party retailers in the PRC by brand as at 31 December 2012 and 2011:

	2012			2011		
Brand	**Self-operated retail points**	**Retail points operated by third-party retailers**	**Total retail points**	Self-operated retail points	Retail points operated by third-party retailers	Total retail points
Jeep						
— menswear	**197**	**486**	**683**	171	382	553
— lady	**46**	**29**	**75**	20	13	33
Santa Barbara Polo & Racquet Club (“SBPRC”)	**192**	**189**	**381**	161	171	332
London Fog	**72**	**59**	**131**	60	61	121
Others	**42**	**—**	**42**	63	—	63
Total	**549**	**763**	**1,312**	475	627	1,102

Self-operated retail points

- Self-operated concession counters: as at 31 December 2012 and 2011, we had a network of 535 and 467, respectively, which were directly operated by us. All of our self-operated concession counters are located within mainstream department stores, including Parkson (百盛), Golden Eagle (金鷹), MOI (茂業), Intime (銀泰), Wangfujing (王府井); and

- Self-operated stores: as at 31 December 2012 and 2011, we had a network of 14 and 8, respectively, most of which were located in shopping malls within major cities in the PRC to ensure a steady flow of consumers as well as to enhance our sales and brand awareness.

Retail points operated by third party retailers

During the year, we engaged 35 new third-party retailers for our Jeep products, 17 for our SBPRC products and 4 for our London Fog product. We have also increased visits to our third-party retailers and provided formal and systematic training to them to implement a set of standard operating procedures for store operating functions, including cashier, marketing concession staff and store supervisor.

Branding

The continuing implementation of a multi-brand strategy is critical to our sustainable expansion and growth. We believe that our multi-brand strategy will allow us capture more market segments, take advantage of a wider range of market opportunities and ultimately increase our overall market share in China's fast-growing menswear market. Our diversification initiatives in brand portfolio in 2012 include the followings:

- We entered into a joint venture agreement with Perry Ellis International Group Holdings Limited and Perry Ellis International, Inc. in April 2012 to establish joint venture companies in Hong Kong and PRC for the purpose of engaging in the promotion, manufacture, sale and marketing of mid-to-high end men's and women's apparel products and accessories under the "Manhattan" trademarks in the PRC. Manhattan has stood for innovation and quality for over 150 years, and continues to evolve into a diverse dress-casual lifestyle brand based on the essentials of metropolitan living. The classic Manhattan remains a dress shirt of choice, available at finer department stores throughout Asia and the Americas;

- We entered into a license agreement with MAXIM'S LIMITED in June 2012 for the purpose of engaging in the promotion, manufacture, sale and marketing of men's apparel products and accessories under the "Maxim's" trademarks in the PRC. Maxim's was founded in 1893 and became one of the most popular and fashionable restaurants in Paris. The restaurant and the Maxim's trademarks are now owned by Mr. Pierre Cardin.

- We entered into trademark assignment and sale agreements with Iconix China Holdings Limited in December 2012 for acquisition of the intellectual property rights of "Zoo York" and "Artful Doger" which are concurrently registered in the PRC, Hong Kong, Macau and Taiwan.

Our brands are one of the most valuable assets and creating brand equity is more important than ever in a competitive retail environment. We differentiate ourselves from our competitors through our marketing and promotional initiatives, including:

- continuing to enhance the layout of our retail points and the way to display our products under our "stylish, attractive and consistent" principle to provide better shopping experience for our consumers;

- active participation in in-store marketing activities organised by department stores and shopping malls which we believe is a relatively more cost-efficient marketing approach;

- on 11 December 2012, Iconix Brand Group Inc. and our Group successfully hosted a cocktail party in celebrating the launch of 2012/2013 fall/winter season products of London Fog; and

- on 17 December 2012, a charity party for celebrating the centenary of Santa Barbara Polo & Racquet Club was held by Interasia & Associates (Holdings) Co., Ltd. and our Group. Over 300 celebrities including Mr. Kenny Bee attended and a total of RMB10,000 was raised for Cui Yongyuan Commonweal Foundation in the party.

Design and product development

The Group has a dedicated design team for each of the brands. Product design for most of our brands is done in-house by our design team based in Hong Kong and Shanghai. As at 31 December 2012, our in-house design team comprises 24 full-time designers and is led by our chief designer, who has design experience in the industry for more than twenty years. The majority of our designers have an average of more than three years working experience in the related field.

In order to allow our design team to keep abreast of the latest trends and developments in new designs, we have arranged our designers to attend fashion shows and trade exhibitions in Beijing, Shanghai, Hong Kong, Paris, Milan and New York. Iconix China Limited also invited our design team to make a visit to Mr. Tommy Hilfiger's studio in New York and London Fog's accessories suppliers in the United States during the year.

We believe a wide range of product offerings including fabrics, styles, colours and sizes is one of the keys to our success. Our design team produced over 1,000 stock keeping units of product designs for each season products in 2012 to cover a wide range of consumer sub-segments and cater to the carried weather conditions of different regions in China.

Production and supply chain

We operate a supply chain model that combines of self-production, subcontracting services and outsourcing production, with an aim to optimise product quality, cost-effectiveness and production flexibility. The automated apparel transporting systems in our Dezhou manufacturing plant have been put into use during the year to improve production efficiency and maintain consistent high quality products.

In 2012, we have also allocated significant efforts and worked with third-party consultancies to develop a fine-tuned and standardized operational manuals that cover raw materials sourcing, production outsourcing, products distribution and inventory management to provide detailed guidance to our frontline employees. We believe the standardized operations provide a platform for sustainable future growth by enabling us to replicate our operations and improve efficiency of our supply chain.

Our office automation and enterprise resource planning systems have been deployed by our major third-party manufacturers to improve data and information exchanges. The objective of the initiative is to build long-term relationship with our third-party manufacturers and ensure consistent supply of our products in a cost-efficient manner.

Employee information

As at 31 December 2012, our Group had a total of 2,537 full-time employees. Staff costs including Directors' remuneration for 2012 totaled RMB100.4 million, compared with that of RMB50.8 million for 2011.

We believe that high-quality customer service in our self-operated retail points is a cornerstone of our success and we directly manage recruitment and training of our frontline sales attendants at these retail points to promote high-quality customer service. Our training session includes the information of the Group, history of our brands, methods of serving customers, knowledge of our products and selling skills. We have also collaborated with professional parties to produce a tutorial video on customer service for our frontline sales attendants during the year.

To ensure a stable supply of future generation of management personnel, we have been collaborating with other independent third-party consultancies to develop training programs that combine industry knowledge, management skills, internal controls and corporate governance for our management.

Our sustainable growth also depends on the contribution from each of our employee and we therefore offer competitive wages and other benefits to our employees and make salary adjustments in response to the local labour market conditions. We also operate a share option scheme and a pre-IPO share option scheme for the purpose of providing incentives and rewards to our eligible employees for their contribution to and continuing efforts to the Group. A total of 199,224,000 options under the pre-IPO share option scheme that granted to 8 directors, 7 senior management staff and 4 employees, were outstanding as at 31 December 2012.

Corporate social responsibility

Being a responsible citizen is core fundamentals of our culture. In August 2012, we participated in the "I Fly" rural teachers training sessions organised by the Chinese Red Cross Foundation and Cui Yongyuan Commonweal Foundation for the purpose of supporting China's rural education. A total donation of RMB0.1 million was made by the Group to the program.

Prospects

Management will continue to focus on the following key objectives for 2013:

- In line with our multi-brand strategy, the Group will seek opportunities to further diversify its brand portfolio and increase the portion of revenue from self-owned brands. We plan to introduce the first fall/winter season products of our new brands such as Manhattan and Maxim's in the third quarter of 2013. Our diversification initiatives also include efforts to expand the outreach of our existing core brand Jeep. The first fall/winter season products under "Jeep Spirit", targeting the younger consumer group, will be launched in late 2013.

- We noticed rapid growth in outlet stores in recent years. In line with our strategy to establish a multi-faceted sales and retail model and given the current economic environment, we will continue to place great emphasis on expanding our outlet store network;

- The appearance of e-commerce has a huge impact on the consumption pattern and behavior of the consumers. In respond to such changes, the Group will explore more sales opportunities from e-commerce;

- Same store sales will be improved through precise product distribution and our "stylish, attractive and consistent" principle in display of our products;

- New media, including social networking websites, microblogs, wechat on the internet, will be leveraged to enhance interaction with the customers and to raise brand awareness among our customers;

- Cost will continue to be managed. We have established a dedicated team to control and monitor our procurement. Our experience of operating the Dezhou manufacturing plant will enable us to formulate a set of cost models and increase our bargain powers on negotiation of favorable trading terms with third-party manufacturers.

DIVIDENDS

The Board recommends to pay a final dividend of HK8.2 cents per share (2011: HK7.3 cents per share) and a special final dividend of HK1.8 cents per share (2011: Nil) for the year ended 31 December 2012 to the shareholders whose names appear on the Register of Members of the Company on 24 May 2013. Subject to the approval of the relevant resolution at the annual general meeting of the Company to be held on 20 May 2013 (the "2013 AGM"), the final and special final dividend will be payable to the shareholders on 7 June 2013.

COMPLIANCE WITH THE MODEL CODE

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules. Having made specific enquiry, the Company confirmed that all the Directors have complied with the required standards set out in the Model Code.

COMPLIANCE WITH CODE ON CORPORATE GOVERNANCE PRACTICES

The Corporate Governance Code (the "CG Code"), issued by the Stock Exchange in October 2011, is the new edition of the Code on Corporate Governance Practices (the "Former Code"), and is applicable to financial reports covering the financial period which ends after 1 April 2012.

During the year ended 31 December 2012, the Company has complied with all the Code Provisions set out in the CG Code during the period from 1 April 2012 to 31 December 2012 as well as the Former Code during the financial period from 1 January 2012 to 31 March 2012.

PARTIAL EXERCISE OF THE OVER-ALLOTMENT OPTION

The Company announced that on 30 December 2011, the sole global coordinator, UBS AG, Hong Kong Branch, on behalf of the international underwriters partially exercised the over-allotment option, described in the prospectus of the Company dated 29 November 2011, requiring the Company to issue and allot 25,638,000 additional shares (the "Over-allotment Shares"). The Over-allotment Shares have been issued and allotted by the Company at HK$1.64 per share, being the offer price under the global offering. Listing of and dealing in the Over-allotment Shares commenced on the Stock Exchange on 5 January 2012. In this regard, the net proceeds from the Over-allotment Shares approximated to HK$40.8 million (equivalent to RMB33.1 million) and the issued capital of the Company was increased to RMB281.2 million on 5 January 2012.

PURCHASE, REDEMPTION OR SALE OF SHARES OF THE COMPANY

During the year, the Company repurchased certain of its shares on the Stock Exchange and these shares were subsequently cancelled by the Company. The summary details of the share repurchases are set out below:

Date of repurchase	Number of shares repurchased	Price per share Highest	Price per share Lowest
		HK$	*HK$*
12 December 2012	1,276,000	1.43	1.40
13 December 2012	2,100,000	1.47	1.43
14 December 2012	320,000	1.49	1.48
17 December 2012	698,000	1.50	1.50
18 December 2012	74,000	1.53	1.53
19 December 2012	2,230,000	1.56	1.48
	6,698,000		

The purchased shares were cancelled during the year and the issued share capital of the Company was reduced by the par value thereof. The premium paid on the purchase of the shares of HK$9.3 million (equivalent to RMB7.6 million) has been charged to the share premium account. An amount equivalent to the par value of the shares cancelled has been transferred to the capital redemption reserve.

The purchase of the Company's shares during the year was effected by the directors, with a view to benefiting shareholders as a whole by enhancing the net asset value per share and earnings per share of the Group.

Except as disclosed above and the allotment and issuance due to the partial exercise of the over-allotment option, neither the Company, nor any of its subsidiaries purchased, redeemed or sold any of the Company's shares during the year.

AUDIT COMMITTEE

The Company established an audit committee in compliance with Rule 3.21 of the Listing Rules. The primary duties of the audit committee are mainly to make recommendation to the Board on the appointment and removal of external auditors; review the financial statements and material advice in respect of financial reporting; oversight of internal control procedures of the Company. At present, the audit committee of the Company consists of three members who are Mr. Kwong Wilson Wai Sun, Mr. Cui Yi and Mr. Yeung Chi Wai. Mr. Kwong Wilson Wai Sun is the chairman of the audit committee. The Group's consolidated financial statements for the year ended 31 December 2012 have been reviewed by the audit committee.

REVIEW OF THE ANNUAL RESULTS ANNOUNCEMENT BY AUDITORS

The figures in respect of the annual announcement of the Group's results for the year ended 31 December 2012 have been agreed by the Group's auditors, Ernst & Young, to the amounts set out in the Group's consolidated financial statements for the year. The work performed by Ernst & Young in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Ernst & Young on the results announcement.

ANNUAL GENERAL MEETING AND OTHER INFORMATION

Date of the 2013 AGM and the information relating to relevant record dates for purpose of attending the 2013 AGM or dividends entitlements; and the dispatch of dividends warrant will be announced in due course.

PUBLICATION OF THE ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This results announcement is published on the website of the Company at www.cohl.hk and Hong Kong Exchanges and Clearing Limited at www.hkexnews.hk. The 2012 annual report and the notice of 2013 AGM will be despatched to the shareholders of the Company and available on the same websites on or about 17 April 2013.

By order of the Board
China Outfitters Holdings Limited
LO Peter
Chairman

Hong Kong, 27 March 2013

As at the date of this announcement, the executive Directors are Mr. Lo Peter, Mr. Zhang Yongli, Mr. Sun David Lee and Ms. Huang Xiaoyun; the non-executive Directors are Mr. Li Guoqiang and Mr. Wang Wei; and the independent non-executive Directors are Mr. Kwong Wilson Wai Sun, Mr. Cui Yi and Mr. Yeung Chi Wai.