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 2015

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 2015, together with the comparative figures for the previous year, as follows:

FINANCIAL HIGHLIGHTS

	Year ended 31 December		
	2015	2014	
	RMB million	*RMB million*	*Changes*
REVENUE	**1,012.8**	1,094.3	(7.4%)
Gross profit	**665.5**	765.5	(13.1%)
Gross profit margin	***65.7%***	*70.0%*	(4.3 p.p.t.)
Operating profit	**127.6**	275.5	(53.7%)
Operating profit margin	***12.6%***	*25.2%*	(12.6 p.p.t.)
Profit attributable to owners of the parent	**104.8**	203.6	(48.5%)
Basic earnings per share *(RMB cents)*	**3.05**	5.91	(48.4%)
Dividends per share *(HK cents)*			
Final			
– Basic	**–**	3.7	(100.0%)
– Special	**–**	–	N.A.
Full year			
– Basic	**–**	3.7	(100.0%)
– Special	**–**	12.0	(100.0%)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December

	Notes	2015 RMB'000	2014 RMB'000
REVENUE	5	**1,012,764**	1,094,327
Cost of sales		**(347,307)**	(328,789)
Gross profit		**665,457**	765,538
Other income and gains, net	5	**30,041**	30,424
Selling and distribution costs		**(497,309)**	(454,304)
Administrative expenses		**(61,486)**	(53,410)
Other expenses		**(9,063)**	(12,726)
Operating profit		**127,640**	275,522
Finance income	6	**44,619**	55,137
Finance costs	7	**(12,003)**	(7,512)
Share of losses of joint ventures		**(4,112)**	(3,590)
PROFIT BEFORE TAX	8	**156,144**	319,557
Income tax expense	9	**(53,434)**	(116,646)
PROFIT FOR THE YEAR		**102,710**	202,911
OTHER COMPREHENSIVE INCOME			
Exchange differences on translation of foreign operations		**(14,600)**	5,505
TOTAL COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX		**88,110**	208,416
Profit attributable to:			
Owners of the parent		**104,837**	203,607
Non-controlling interests		**(2,127)**	(696)
		102,710	202,911
Total comprehensive income attributable to:			
Owners of the parent		**90,161**	209,111
Non-controlling interests		**(2,051)**	(695)
		88,110	208,416
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT			
Basic and diluted	11	**RMB3.05 cents**	RMB5.91 cents

Details of the dividend proposed and paid for the year are disclosed in note 10.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December

	Notes	2015 RMB'000	2014 RMB'000
NON-CURRENT ASSETS			
Property, plant and equipment		**246,834**	207,367
Prepaid land lease payments		**85,765**	88,136
Investment properties		**4,653**	4,945
Goodwill		**70,697**	70,697
Other intangible assets		**112,449**	112,697
Investments in joint ventures		**141,621**	117,824
Deferred tax assets		**108,941**	94,928
Total non-current assets		**770,960**	696,594
CURRENT ASSETS			
Inventories	*12*	**398,599**	409,361
Trade and bills receivables	*13*	**118,595**	128,955
Prepayments, deposits and other receivables		**75,720**	76,153
Derivative financial instruments		**5,026**	2,243
Structured bank deposits	*14*	**380,734**	707,700
Pledged bank deposits		**437,890**	432,098
Cash and cash equivalents		**165,086**	190,154
Total current assets		**1,581,650**	1,946,664
CURRENT LIABILITIES			
Interest–bearing bank borrowings	*15*	**360,245**	646,827
Trade and bills payables	*16*	**105,700**	53,986
Deposits received, other payables and accruals		**106,041**	116,172
Tax payable		**150,238**	150,783
Total current liabilities		**722,224**	967,768
NET CURRENT ASSETS		**859,426**	978,896
TOTAL ASSETS LESS CURRENT LIABILITIES		**1,630,386**	1,675,490
NON-CURRENT LIABILITIES			
Deferred tax liabilities		**7,595**	38,438
Net assets		**1,622,791**	1,637,052

	Notes	2015 RMB'000	2014 RMB'000
EQUITY			
Equity attributable to owners of the parent			
Issued capital	*17*	**280,661**	280,661
Shares held for share award scheme		**(7,409)**	(3,669)
Reserves		**1,347,714**	1,356,184
		1,620,966	1,633,176
Non-controlling interests		**1,825**	3,876
Total equity		**1,622,791**	1,637,052

NOTES

1. CORPORATE AND GROUP 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 located at 190 Elgin Avenue, George Town, Grand Cayman KY1-9005, Cayman Islands. The address of its principal place of business is Room 1303, 13/F, New East Ocean Centre, 9 Science Museum 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 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 announcement, 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 financial statement, 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**"), accounting principles generally accepted in Hong Kong and the disclosure requirement of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for investment properties, certain buildings classified as property, plant and equipment, derivative financial instruments and equity investments which have been measured at fair value. These financial statements 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 2015. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries and a trust ("**the Share Award Scheme Trust**"), a controlled special purpose entity, are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

The Board has approved a share award scheme (the "**Share Award Scheme**") to provide incentives to employees of the Group and to retain and encourage employees for the continual operation and development of the Group. Pursuant to the rules of the Share Award Scheme, the Group has set up the Share Award Scheme Trust for the purpose of administering the Share Award Scheme and holding the award shares before they vest. As the Group has the power to govern the financial and operating policies of the Share Award Scheme Trust and derives benefits from the contributions of the Group, the Group is required to consolidate the Share Award Scheme Trust under IAS 27 (Revised) Separate Financial Statements.

3. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

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

Amendments to IAS 19 *Defined Benefit Plans: Employee Contributions*
Annual Improvements to IFRSs 2010-2012 Cycle
Annual Improvements to IFRSs 2011-2013 Cycle

Except that certain presentation and disclosure of financial statement items have been revised, the adoption of these revised standards did not have any significant effect on the financial position or performance of the Group.

In addition, the Company has adopted the amendments to the Listing Rules issued by the Hong Kong Stock Exchange relating to the disclosure of financial information with reference to the Hong Kong Companies Ordinance (Cap. 622) during the current financial year. The main impact to the financial statements is on the presentation and disclosure of certain information in the financial statements.

4. OPERATING SEGMENT INFORMATION

The Group 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.

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 all 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 years 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:

	2015	2014
	RMB'000	*RMB'000*
Revenue		
Sale of goods	**1,012,764**	1,094,327
Other income, net		
Government subsidies*	**24,641**	26,958
Arrangement fees#	**218**	328
Rental income, net	**1,649**	793
Sale of consumables, net	**71**	88
	26,579	28,167
Gains, net		
Fair value gains, net:		
Derivative instruments – transactions not qualifying as hedges	**2,783**	2,243
Others	**679**	14
	3,462	2,257
	30,041	30,424

* 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 charges paid by third-party retailers when they entered into the initial retail agreements with the Group.

6. FINANCE INCOME

	2015	2014
	RMB'000	*RMB'000*
Interest income on bank deposits	**2,323**	10,929
Interest income on structured bank deposits	**42,296**	44,208
	44,619	55,137

7. FINANCE COSTS

	2015	2014
	RMB'000	*RMB'000*
Interest on bank loans	**12,003**	7,512

8. PROFIT BEFORE TAX

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

	2015	2014
	RMB'000	*RMB'000*
Cost of inventories sold	**211,173**	214,101
Depreciation:		
Property, plant and equipment	**12,233**	9,585
Investment properties	**292**	277
	12,525	9,862
Amortisation of prepaid land lease payments*	**2,020**	1,892
Amortisation of intangible assets*	**1,572**	1,572
Minimum lease payments under operating leases in respect of buildings	**17,038**	14,111
Auditors' remuneration	**2,224**	2,197
Employee benefit expenses (including Directors' remuneration):		
Wages and salaries	**96,446**	85,948
Equity-settled share option expenses	**3,173**	9,318
Transfer of share option reserve upon the forfeiture of share options	**–**	(9,579)
Pension scheme contributions	**14,058**	11,275
	113,677	96,962
Impairment of other intangible assets^	**4,680**	11,500
Fair value gains, net:		
Derivative instruments – transactions not qualifying as hedges	**(2,783)**	(2,243)
Write-down of inventories to net realisable value#	**136,134**	114,688
Foreign exchange differences, net	**4,383**	1,226

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

\# The write-down of inventories to net realisable value is included in "Cost of sales" in the consolidated statement of profit or loss and other comprehensive income.

^ The impairment of other intangible assets is included in "Other expenses" in the consolidated statement of profit or loss and other comprehensive income.

9. 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 incorporated in the Cayman Islands 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 2015.

	2015	2014
	RMB'000	*RMB'000*
Current – PRC		
Charge for the year	**63,877**	118,047
Deferred	**(10,443)**	(1,401)
Total tax charge for the year	**53,434**	116,646

A reconciliation of the tax expense applicable to profit before tax at the statutory rate for the jurisdiction 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:

	2015		2014	
	RMB'000	*%*	*RMB'000*	*%*
Profit before tax	**156,144**		319,557	
Tax charge at the statutory tax rate	**39,036**	**25**	79,889	25
Entities subject to lower statutory income tax rates	**(30)**	**–**	(101)	–
Effect of withholding tax on undistributed profits of the PRC subsidiaries	**3,058**	**2**	30,000	9
Effect of withholding tax on services fee	**1,800**	**1**	1,797	1
Loss attributable to joint ventures	**1,028**	**1**	897	–
Adjustments in respect of current tax of previous periods	**4,714**	**3**	–	–
Tax losses not recognised	**3,408**	**2**	4,118	2
Others	**420**	**–**	46	–
Tax charge at the Group's effective tax rate	**53,434**	**34**	116,646	37

No share of tax attributable to joint ventures (2014: Nil) is included in "Share of losses of joint ventures" in the consolidated statement of profit or loss and other comprehensive income.

10. DIVIDENDS

	2015	2014
	RMB'000	*RMB'000*
No final dividend proposed (2014: HK3.7 cents per ordinary share)	**–**	101,804
	–	101,804

The Board does not recommend to declare any final dividends for the year ended 31 December 2015.

The final dividends for the year ended 31 December 2014 on ordinary shares of RMB101,804,000 were approved by shareholders of the company at the annual general meeting on 18 May 2015 and were subsequently paid on 5 June 2015.

11. 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 3,438,220,000 (2014: 3,444,915,000) in issue during the year.

No adjustment has been made to the basic earnings per share amounts presented for the years ended 31 December 2015 and 2014 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:

	2015	2014
	RMB'000	*RMB'000*
Earnings		
Profit attributable to ordinary equity holders of the parent, used in the basic earnings per share calculation	**104,837**	203,607

	Number of shares	
	2015	2014
Shares		
Weighted average number of ordinary shares in issue	**3,445,450,000**	3,445,450,000
Weighted average number of shares purchased for the Share Award Scheme	**(7,230,000)**	(535,000)
Adjusted weighted average number of ordinary shares in issue used in the basic earnings per share calculation	**(3,438,220,000)**	(3,444,915,000)

12. INVENTORIES

	2015	2014
	RMB'000	*RMB'000*
Raw materials	**11,997**	15,855
Work in progress	**6,365**	9,307
Finished goods	**380,237**	384,199
	398,599	409,361

13. TRADE AND BILLS RECEIVABLES

	2015	2014
	RMB'000	*RMB'000*
Trade receivables	**115,213**	123,742
Trade receivables, net	**115,213**	123,742
Bills receivable	**3,382**	5,213
	118,595	128,955

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 2014 and 2015, based on the invoice date and net of provision, and the balances of bills receivables are as follows:

	2015	2014
	RMB'000	*RMB'000*
Trade receivables		
Within 60 days	**107,929**	117,127
61 to 90 days	**800**	1,763
91 to 180 days	**2,057**	2,032
181 to 360 days	**3,383**	2,262
Over 360 days	**1,044**	558
	115,213	123,742
Bills receivable	**3,382**	5,213
	118,595	128,955

The bills receivable are due to mature within six months.

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

	2015	2014
	RMB'000	*RMB'000*
Neither past due nor impaired	**107,929**	117,127
1 to 180 days past due	**2,857**	3,795
181 to 360 days past due	**4,427**	2,820
	115,213	123,742

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.

14. STRUCTURED BANK DEPOSITS

	2015	2014
	RMB'000	*RMB'000*
Structured bank deposits, in licensed banks in PRC, at amortised cost	**380,734**	707,700

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

15. INTEREST-BEARING BANK BORROWINGS

	2015			2014		
	Effective interest rate (%)	**Maturity**	***RMB'000***	Effective interest rate (%)	Maturity	*RMB'000*
Current						
Interest-bearing bank loans – secured (USD)*	**–**	**–**	**–**	3.25%	2015	120,808
Interest-bearing bank loans – secured (HKD)*	**HIBOR +1.8%**	**2016**	**360,245**	HIBOR +1.8%- HIBOR +2.33%	2015	526,019
Total:			**360,245**			646,827

* These bank borrowings are secured by RMB denominated pledged bank deposits placed with financial institutions in PRC of RMB390,000,000 as at 31 December 2015.

The pledged deposits for securing the bank borrowings were included in "Pledged bank deposits" in the consolidated statement of financial position as at 31 December 2015.

	2015	2014
	RMB'000	*RMB'000*
Analysed into:		
Within one year and denominated in HK$	**360,245**	526,019
Within one year and denominated in US$	**–**	120,808
	360,245	646,827

The Group has the following undrawn banking facilities:

	2015	2014
	RMB'000	*RMB'000*
At floating rate	**–**	110,442

16. TRADE AND BILLS PAYABLES

An aged analysis of the trade payables as at 31 December 2014 and 2015, based on the invoice date, and the balances of bills payable are as follows:

	2015	2014
	RMB'000	*RMB'000*
Trade payables		
Within 30 days	**36,904**	36,517
31 to 90 days	**10,582**	11,315
91 to 180 days	**692**	395
181 to 360 days	**2,621**	809
	50,799	49,036
Bills payable	**54,901**	4,950
	105,700	53,986

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

17. ISSUED CAPITAL

Shares

	2015	2014
	HK$'000	*HK$'000*
Issued and fully paid:		
3,445,450,000 (2014: 3,445,450,000) ordinary shares of HK$0.1 each	**344,545**	344,545
Equivalent to RMB'000	**280,661**	280,661

MANAGEMENT DISCUSSION AND ANALYSIS

MARKET OVERVIEW

For most of the Chinese conventional retailers in the menswear sector, 2015 continued to be difficult and challenging. Amid the continuous slowdown of China's macro-economy, demonstrated by the weakest Gross Domestic Product ("**GDP**") growth rate for the past 25 years of 6.9%, consumer sentiment continued to be dampened. In particular, retail sales of apparel products achieved by the top 100 key and large-scale retailers recorded a historical decline of 0.3% in 2015.

Against this backdrop, the Group experienced a decline in revenue of 7.4% from RMB1,094.3 million in 2014 to RMB1,012.8 million in 2015 and a decline in profit attributable to owners of the parent by 48.5% from RMB203.6 million in 2014 to RMB104.8 million in 2015.

FINANCIAL REVIEW

Revenue

The Group recorded revenue of RMB1,012.8 million in 2015 representing a decrease by RMB81.5 million, or approximately 7.4% as compared to RMB1,094.3 million in 2014.

By sales channel

Revenue from self-operated retail sales decreased by RMB33.6 million, or approximately 4.5%, from RMB745.1 million in 2014 to RMB711.5 million in 2015 and accounted for approximately 70.2% (2014: 68.1%) of total revenue. The decrease in revenue was primarily due to the decline in customer traffic flows in mainstream department stores in the first to second tier cities where a majority of the Group's self-operated retail points are located. This decline in traffic led to a decrease in same store sales by 10.1%. Despite the decrease in retail sales through self-operated retail points, we remain committed to our multi-channel strategy in response to the evolving consumption behavior and we saw higher growth in sales from outlet stores. Revenue from outlet stores increased by RMB22.6 million, or 15.4%, from RMB146.8 million in 2014 to RMB169.4 million in 2015.

Revenue from sales to third-party retailers decreased by RMB61.0 million, or approximately 19.4%, from RMB314.8 million in 2014 to RMB253.8 million in 2015 and accounted for approximately 25.1% (2014: 28.8%) of total revenue. The decrease in revenue was primarily attributable to (i) the decrease in retail points operated by third-party retailers; (ii) the third-party retailers became more conservative under the current sluggish retail market conditions, especially in North China and third to fourth tier cities where a majority of our third-party retailers are located; and (iii) e-commerce presenting more choices to consumers in the third and fourth tier cities in China, thus impacting conventional retailers.

Our progress in e-commerce business for selling off-season products online was encouraging in 2015. Revenue from e-commerce business increased by RMB13.1 million, or approximately 38.1%, from RMB34.4 million in 2014 to RMB47.5 million in 2015 and accounted for approximately 4.7% (2014: 3.1%) of total revenue. The increase in revenue from e-commerce business was primarily attributable to (i) the increase in sales from online discount platform such as VIP shop, by RMB5.7 million, or approximately 44.5%, from RMB12.8 million in 2014 to RMB18.5 million in 2015; and (ii) the increase in sales from online third-party retailers as well as our self-operated flagship stores on Tmall.com and JD.com, by RMB7.4 million, or approximately 34.3%, from RMB21.6 million in 2014 to RMB29.0 million in 2015.

The table below sets forth the breakdown of the Group revenue contributed by sales made through our self-operated retail points, sales to third-party retailers and sales from e-commerce business:

	Year ended 31 December			
	2015		2014	
	Revenue *RMB million*	**% of total revenue**	Revenue *RMB million*	% of total revenue
Retail sales from self-operated retailers	**711.5**	**70.2%**	745.1	68.1%
Sales to third-party retailers	**253.8**	**25.1%**	314.8	28.8%
Sales from e-commerce business	**47.5**	**4.7%**	34.4	3.1%
Total	**1,012.8**	**100%**	1,094.3	100%

By Brand

Revenue contributed from self-owned brands increased by RMB15.4 million, or approximately 25.2%, from RMB61.2 million in 2014 to RMB76.6 million in 2015. Percentage of revenue from self-owned brands over total revenue increased from 5.6% in 2014 to 7.6% in 2015. Revenue from our new brands such as London Fog, Jeep Spirit, MCS etc., which were introduced into the PRC menswear market after 2009, increased by RMB27.1 million, or approximately 22.7%, from RMB119.2 million in 2014 to RMB146.3 million in 2015. Percentage of revenue from new brands over total revenue increased from 10.9% in 2014 to 14.4% in 2015.

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

	Year ended 31 December			
	2015		2014	
	Revenue	**% of total**	Revenue	% of total
	RMB million	**revenue**	*RMB million*	revenue
Licensed brands	**936.2**	**92.4%**	1,033.1	94.4%
Self-owned brands	**76.6**	**7.6%**	61.2	5.6%
Total	**1,012.8**	**100%**	1,094.3	100%

Cost of sales

Our cost of sales increased by RMB18.5 million, or approximately 5.6%, from RMB328.8 million in 2014 to RMB347.3 million in 2015. The increase in cost of sales was primarily due to a mixed effect of an increase in inventory provisions by RMB21.4 million from RMB114.7 million in 2014 to RMB136.1 million in 2015; offset by a corresponding decrease in cost of inventories sold by RMB2.9 million from RMB214.1 million in 2014 to RMB211.2 million in 2015 as a result of the decrease in revenue.

Gross profit and gross profit margin

Our gross profit decreased by RMB100.0 million, or approximately 13.1%, from RMB765.5 million in 2014 to RMB665.5 million in 2015 as a result of the decrease in total revenue and increase in cost of sales. Our overall gross profit margin decreased from 70.0% in 2014 to 65.7% in 2015 primarily because of the increase in inventory provisions. Save for the inventory provisions, our overall gross profit margin would have been 79.1% in 2015 which was largely in consistent with 80.4% in 2014.

Other income and gains, net

Our other income and gains decreased by RMB0.4 million, or approximately 1.3%, from RMB30.4 million in 2014 to RMB30.0 million in 2015, primarily due to the mixed effect of the decrease of subsidy income by RMB2.4 million from RMB27.0 million in 2014 to RMB24.6 million in 2015; offset by the increase in gains from changes in fair value of derivative instruments by RMB0.6 million, or approximately 27.3%, from RMB2.2 million in 2014 to RMB2.8 million in 2015.

Selling and distribution costs

Our selling and distribution costs increased by RMB43.0 million, or approximately 9.5%, from RMB454.3 million in 2014 to RMB497.3 million in 2015.

Rents and concession fees for occupying concession counters within department stores and shopping malls, and department store charges increased by RMB7.8 million, or approximately 2.8%, from RMB276.7 million in 2014 to RMB284.5 million in 2015. This increase was largely due to the increase in number of our self-operated retail points and increase in minimum rents and concession fees paid to department stores and shopping malls.

The labour costs related to sales and marketing staff increased from RMB77.3 million in 2014 to RMB91.8 million in 2015. This increase was primarily attributable to the increase in sales and marketing staff due to the increase in number of self-operated retail points as well as incremental increases in basic salary.

The Group incurred advertising and promotion expenses of RMB13.6 million (2014: RMB15.3 million) during the year for organizing promotion activities and spending on social media marketing to share our brand stories and product knowledge with our customers through wechat, weibo and mainstream websites such as Sina.com, Sohu.com etc.

Decoration expenses for renovation of the self-operated retail points increased from RMB12.5 million in 2014 to RMB24.8 million in 2015 as a result of the increase in number of self-operated retail points and relatively high decoration expenses incurred for new brands stores such as Barbour, Henry Cotton’s, MCS etc.

Other selling and distribution costs including royalty fees and other operating expenses remained consistent with the previous year.

Administrative expenses

Our administrative expenses increased by RMB8.1 million, or approximately 15.2%, from RMB53.4 million in 2014 to RMB61.5 million in 2015, primarily due to (i) the increase in depreciation and amortization by RMB2.9 million from RMB10.3 million in 2014 to RMB13.2 million in 2015 due to the increase in depreciation of our new logistic center in Shanghai which was operational during the year; and (ii) the increase in staff costs and amortization of Pre-IPO Share Option Scheme by RMB6.0 million from RMB14.2 million in 2014 to RMB20.2 million in 2015.

Other expenses

Other expenses mainly consisted of exchange losses of RMB4.4 million (2014: RMB1.2 million) due to depreciation of RMB against Hong Kong Dollar during the year and an impairment on trademarks - “London Fog” of RMB4.7 million (2014: RMB11.5 million).

Finance income

Our finance income decreased to RMB44.6 million in 2015 as compared to that of RMB55.1 million in 2014, representing a decrease of 19.1%, primarily due to the decrease in balance of our cash and cash equivalents and continuous decrease in interest rate in structured bank deposits and bank deposits during the year.

Finance costs

The Group obtained short-term bank loans from financial institutions in Hong Kong. Finance costs of RMB12.0 million (2014: RMB7.5 million) represented bank interest expenses incurred in relation to the above bank loans during the year.

Share of losses from joint ventures

The Group acquired a 50% equity interest in MCS Apparel Hong Kong Limited (“MCS HK”, together with its subsidiaries hereinafter referred to as the “MCS JV”) in November 2013 and subsequently acquired a 50% equity interest in Henry Cotton’s Greater China Co., Ltd. (“HC HK”, together with its subsidiaries hereinafter referred to as the “HC JV”) and a 50% equity interest in Marina Yachting Hong Kong Limited (“MY HK”, together with its subsidiaries hereinafter referred to as the “MY JV”) in 2014 and 2015, respectively. MCS JV, HC JV and MY JV respectively own the intellectual property rights of “MCS”, “Henry Cotton’s” and “Marina Yachting” trademarks in China, Hong Kong, Macau and Taiwan. The Group accounted for its investments in MCS HK, HC HK and MY HK as investments in joint ventures and used equity method to pick up the profit or loss generated by the joint ventures. In 2015, the Group recorded share of losses from joint ventures of RMB4.1 million which included share of losses of RMB2.9 million from the MCS JV and share of losses of RMB1.2 million from the HC JV, respectively.

Profit before tax

As a result of the foregoing factors, our profit before tax decreased by RMB163.5 million, or approximately 51.2%, from RMB319.6 million in 2014 to RMB156.1 million in 2015.

Income tax expense

Income tax expense decreased by RMB63.2 million, or approximately 54.2%, from RMB116.6 million in 2014 to RMB53.4 million in 2015 primarily due to the mixed effect of (i) a decrease in current income tax by RMB54.1 million, or approximately 45.8%, from RMB118.0 million in 2014 to RMB63.9 million in 2015 due to the decrease in profit before tax; and (ii) no special dividends were proposed in 2015 leading to a decrease in withholding tax on distributable profits of the subsidiaries in China by RMB25.0 million. The effective income tax rate in 2015 was 34.2% (2014: 36.5%).

Profit for the year

Profit for the year decreased by RMB100.2 million, or approximately 49.4%, from RMB202.9 million in the 2014 to RMB102.7 million in 2015. In addition, the net profit margin decreased from 18.5% in 2014 to 10.1% in 2015 due to:

(i) a decrease in gross profit margin from 70.0% in 2014 to 65.7% in 2015 primarily because of the increase in inventory provisions against obsolete inventories; and

(ii) an increase in percentage of selling and distribution costs over total revenue from 41.5% in 2014 to 49.1% in 2015 resulting from the increase in percentage of sales from self-operated retail points from 68.1% in 2014 to 70.2% in 2015 while percentage of sales to third-party retailers decreased from 28.8% in 2014 to 25.1% in 2015. The self-operated retail business incurred higher selling and distribution expenses than that of wholesale business to third-party retailers.

Profit attributable to owners of the parent

As a result of the foregoing, profit attributable to owners of the parent decreased by RMB98.8 million, or approximately 48.5%, from RMB203.6 million in 2014 to RMB104.8 million in 2015.

Working Capital Management

	31 December 2015	31 December 2014
Inventory turnover days	**419**	430
Trade receivables turnover days	**42**	40
Trade payables turnover days	**52**	42

The decrease in inventory turnover by 11 days was mainly due to our stock clearance strategy to sell off-season products through outlet stores as well as online discount platforms and online flagship stores. Inventory turnover days for inventories aged between 1 year and 3 years decreased from 194 days in 2014 to 171 days in 2015. Concurrently, the inventory balance decreased by RMB10.8 million from RMB409.4 million as at 31 December 2014 to RMB398.6 as at 31 December 2015.

The turnover days of trade receivables and payables were comparable for the both years indicated.

Liquidity, financial position and cash flows

As at 31 December 2015, we had net current assets of approximately RMB859.4 million, as compared to RMB978.9 million as at 31 December 2014. The current ratio, being current assets divided by current liabilities, of our Group was 2.2 as at 31 December 2015, as compared to that of 2.0 as at 31 December 2014.

As at 31 December 2015, we had an aggregate cash and cash equivalents, pledged bank deposits and structured bank deposits of approximately RMB983.7 million (31 December 2014: RMB1,330.0 million). The table below sets forth selected cash flow data from our consolidated statement of cash flows:

	Year ended 31 December	
	2015	2014
	RMB million	*RMB million*
Net cash flows from operating activities	**54.0**	100.8
Net cash flows from investing activities	**340.4**	236.1
Net cash flows used in financing activities	**(399.0)**	(430.2)
Net decrease in cash and cash equivalents	**(4.6)**	(93.3)
Effect of foreign exchange rate changes, net	**(22.5)**	4.9
Cash and cash equivalents at the beginning of the year	**199.4**	287.8
Cash and cash equivalents at the end of the year	**172.3**	199.4

Operating activities

Net cash flows from operating activities decreased by RMB46.8 million from RMB100.8 million in 2014 to RMB54.0 million in 2015 which was primarily attributable to (i) the operating cash inflows before changes in working capital of RMB285.0 million (2014: RMB412.5 million); and (ii) changes in working capital representing a decrease of cash of RMB231.0 million (2014: RMB311.7 million) which mainly included cash outflows from change in inventories of RMB145.1 million (2014: RMB153.8 million) and cash outflows for payment of withholding tax and PRC corporate income tax of RMB98.8 million (2014: RMB132.5 million).

Investing activities

Net cash flows from investing activities of RMB340.4 million mainly consisted of cash inflows from withdrawal of structured bank deposits of RMB371.7 million and receipt of interest income of RMB37.9 million; offset by (i) capital expenditures of RMB50.4 million for purchases of property, plant and equipment; and (ii) an investment in a joint venture of RMB16.1 million.

Financing activities

Net cash flows used in financing activities mainly consisted of repayment of bank loans of RMB286.6 million and payment of 2014 final dividend of RMB101.8 million.

Pledge of group assets

As at 31 December 2015, short-term bank deposits of RMB390.0 million have been pledged as security for obtaining banking facilities of the Group. The Group also pledged short-term bank deposits of RMB47.9 million for forward contracts and issuance of bank acceptance notes.

Capital commitments and contingent liabilities

The Group did not have any significant capital commitments and contingent liabilities as at 31 December 2015.

Foreign exchange management

We conduct business primarily in Hong Kong and the PRC with most of our transactions denominated and settled in Hong Kong dollars ("**HK$**") and RMB. To minimise foreign exchange risks, the Group has a hedging policy in place.

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.

In 2015, an aggregate of HK$20.0 million (equivalent to RMB16.2 million) was used for the construction of the logistic centers in Shanghai and HK$19.8 million (equivalent to RMB16.1 million) was used for an investment in a joint venture – "Marina Yachting" business.

The table below sets forth the utilisation of the net proceeds from the IPO and the unused amount as at 31 December 2015. All the unused proceeds were deposited into licensed banks in the PRC and Hong Kong:

Use of fund raised

	Percentage to total amount	Net proceeds *(HK$ million)*	Utilised amount as at 31 December 2015 *(HK$ million)*	Unutilised amount as at 31 December 2015 *(HK$ million)*
Licensing or acquisition of additional recognised international brands	**47%**	**380.7**	**234.5**	**146.2**
Expansion and enhancement of existing logistical system	**24%**	**193.1**	**193.1**	**–**
Settlement of shareholder's loan	**19%**	**152.8**	**147.1**	**5.7**
General working capital	**10%**	**77.3**	**–**	**77.3**
	100%	**803.9**	**574.7**	**229.2**

OPERATION REVIEW

Retail and distribution network

As at 31 December 2015, our sales network comprised a total of 671 self-operated retail points, comprising concession counters, consignment stores and self-operated stores, and 503 retail points 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 2015 and 31 December 2014:

	As at 31 December 2015			As at 31 December 2014		
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	**218**	**450**	**668**	205	511	716
– Spirit*	**65**	**10**	**75**	74	21	95
SBPRC	**188**	**42**	**230**	196	118	314
London Fog	**59**	**1**	**60**	59	4	63
MCS	**52**	**–**	**52**	29	–	29
Others	**89**	**–**	**89**	64	–	64
Total	**671**	**503**	**1,174**	**627**	**654**	**1,281**

* *including 47 and 71 retail points of Jeep lady as at 31 December 2015 and 31 December 2014, respectively*

Self-operated retail points

As at 31 December 2015, we had a network of 671 self-operated concession counters (31 December 2014: 611 self-operated concession counters). A majority of the concession counters are located within mainstream department stores in the first and second tier cities in China, including Parkson (百盛), Golden Eagle (金鷹), MOI (茂業), Intime (銀泰), Wangfujing (王府井) etc, among which a total of 114 were outlet stores as at 31 December 2015 (31 December 2014: 110 outlet stores).

As at 31 December 2015, we had a network of 30 stores (31 December 2014: 16 stores) 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.

Faced with challenging market conditions and evolving consumer behavior, the Group made the following adjustments to its strategy for self-operated retail points:

- opening 4 outlet stores in response to changes in consumer behavior and rapid sales growth in outlet store channel; and

- opening 70 new retail points for the expansion and development of our new brands such as MCS, Barbour, LINCS, Henry Cotton's and Zoo York in 2015.

Retail points operated by third-party retailers

Under current uncertain and ever-changing market conditions, our third-party retailers became more conservative in placing orders and opening new stores. As at 31 December 2015, we had a total of 503 retail points that were operated by third-party retailers, representing a decrease by 23.1% as compared to that of 654 at 31 December 2014.

E-commerce

We launched our e-commerce business in 2013 to sell off-season products through online platforms and retailers. In 2015, the Group actively organized sales fairs on online discount platform such as VIP.com, developed new online third-party retailers for online retailing of the Group's products and increase sales from the Group's self-operated e-shops on Tmall.com and JD.com.

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 menswear market. Our diversification initiatives in brand portfolio during the year included the followings:

MCS

During the year, MCS sponsored the program "Gourmet Big Trump Card (美食大王牌)" from Shanghai Channel Young. Mr. Ah Nan, the program host, wore MCS apparel while preparing experimental new dishes with other guests in the studio kitchen.

As one of the sponsors for the popular movie "A Time for Consequences" already on show in the cinemas, MCS provided some of the apparel for Mr. Jason Wu and Mr. Simon Yam, the two prominent actors in the movie. Their image of "real man" in the movie has fully reflected the brand image of MCS.

In June 2015, MCS sponsored Hangzhou Liuchin Art Space for its first exhibition of Chinese traditional art of painting – "Wuxing Liuchin".

On 29 June 2015, MCS held a fashion show for its 2016 Spring and Summer New Collection at Shanghai Poly Grand Theatre. Over 150 celebrities attended the fashion show and the event was reported extensively by mainstream fashion media in China.

LINCS

During the year, LINCS sponsored apparel for the China Entrepreneur Golf Team established by the China Entrepreneur Club (中國企業家俱樂部), and also sponsored the award for the "Longest Drive Prize" in the golf event "BMW Daonong Cup" Challenge, the leading amateur golf event in China. These activities aim to reinforce the elegant and exquisite lifestyle of LINCS with golf and a high-end club in the background.

Barbour

On 28 and 29 January 2015, we held an English afternoon tea gathering under the theme of Barbour in Shanghai and Beijing. The global CEO and the president of Asia-Pacific region of Barbour arrived at the scene and displayed Barbour products and recounted Barbou's 120 plus years of history to guests and customers attending the event.

Zoo York

On 18 April 2015, the sports event – "ACTION TIME" Ultimate Sports Challenge was held in Shanghai. As one of the sponsors for this event, Zoo York launched exhibition sales during the event and invited the professional graffiti artists to paint the graffiti wall on the scene, so as to show to the audience the culture of Zoo York Brand.

The Zoo York skateboard team from the United States of America toured Shanghai, Chengdu and Beijing with their live shows from 28 June to 7 July 2015 and interacted with local skateboard lovers on the spot. The event has generated extensive attention amidst China's skateboard lovers and professional media.

Marina Yachting

We acquired a 50% interest in the intellectual property rights of the "Marina Yachting" trademarks in the Greater China Region during the year through an acquisition of the 50% equity interest in Marina Yachting Hong Kong Limited. Subsequent to the acquisition on 7 July 2015, the joint venture engaged in design, manufacturing and sales of apparel and accessories under the "Marina Yachting" brand in the Greater China Region. Founded in Genoa, Italy, in 1878, Marina Yachting is an international casual wear brand representing sporty elegance and classic style. Adding Marina Yachting to our portfolio of brands augments and complements our multi-brand strategy and direct control business model.

Tweed Run Events

During the year, we organized 2 "Tweed Run" events where cyclists were dressed in traditional British cycling attire from a number of brands operated by us such as Barbour and Henry Cotton's etc., and rode through the center of Shanghai. The events were covered by a number of leading media outlets such as Sohu.com, Toutiao.com in China.

Design and product development

The local design team kept abreast of the latest trends and developments in new designs through our collaboration with the international design teams from MCS and Henry Cotton's in Milan and Venice, Barbour in London, LINCS in New York and Zoo York in Hong Kong.

Production and supply chain

During the year, the construction of the logistic centre with a total gross floor area of 55,000 square meters in Shanghai has completed. The Directors believe that with the operation of the new logistic centre, product distribution between logistic centre and retail points nationwide will be more accurate, thus improving supply chain efficiency. The positing of products in warehouses through our self-developed logistics system and personal digital assistant system was also well under way and will significantly improve efficiency of order-picking process in warehouses, and transformed our warehousing system into a B2C logistics center for direct distribution of products to consumers.

Employee information

As at 31 December 2015, the Group had approximately 2,978 full-time employees. Staff costs, including Directors' remuneration, totalled RMB113.7 million in 2015 (2014: RMB97.0 million).

The Company also operated a share option scheme (the "**Share Option Scheme**") and a pre-IPO share option scheme (the "**Pre-IPO Share Option Scheme**") for the purpose of providing incentives and rewards to eligible participants for their contribution to, and continuing efforts to promote the interests of our Group. A total of 168,024,000 options under the Pre-IPO Share Option Scheme that granted to 17 participants (including 8 directors), were outstanding as at 31 December 2015.

Corporate Social Responsibility

Being a responsible corporate citizen is a core fundamental of our culture. During the year, the Group participated the sponsorship of an animal protection program organized by the Beijing Loving Animals Foundation (北京愛它動物保護公益基金) and sponsorship of the "I fly" (愛飛翔) training program for village school teachers that organized by the Chinese Red Cross Foundation and Cui Yongyuan Commonwealth Foundation (崔永元公益基金) for the purpose of supporting education in rural areas of China. A total donation of approximately RMB0.1 million was made by the Group to the above programs during the year.

Prospects

Management will continue to focus on the following key objectives for 2016:

- We plan to introduce the first Spring and Summer season products of our new brand Marina Yachting in the first quarter of 2016;

- We will continue to increase spending on marketing and promotion that comprises consumer studies, advertising, public relations, events, online and digital marketing, visual merchandising, and celebrity endorsement to enhance interaction with the customers and to raise brand awareness among our target customers;

- We will continue to commit to our multi-channel strategy and place great emphasis on expanding our store network in outlet stores. E-commerce is also a priority of our sales channel strategy;

- Our self-developed O2O system has been deployed in all self-operated retail points and retail points operated by major third-party retailers. We will continue to encourage our sales attendants as well as third-party retailers and online retailers to use the system and accelerate the response to ultimate consumers' demands for our products.

FINAL DIVIDENDS

The Board does not recommend to declare any final dividends in 2015 (2014: a final dividend of HK3.7 cents per share).

DIRECTORS' SECURITIES TRANSACTIONS

The Company has devised its own code of conduct regarding directors' dealings in the Company's securities and securities transactions by employees who are likely to be in possession of unpublished price-sensitive information of the Company (the "**Code of Conduct**") on terms no less exacting than the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules. Having made specific enquiry, the Company confirms that all the directors have complied with the Code of Conduct.

CORPORATE GOVERNANCE

The Board believes that high corporate governance standards are essential in providing a framework for the Company to safeguard the interests of shareholders and to enhance corporate value and accountability. The Board is of the view that throughout the year ended 31 December 2015, the Company has complied with all the code provisions as set out in the Corporate Governance Code contained in Appendix 14 of the Listing Rules.

COMPLIANCE WITH THE DEED OF NON-COMPETITION

During the year, none of the controlling shareholders of CEC Outfitters Limited, Vinglory Holdings Limited and Mr. Zhang Yongli, nor any of their respective associates is a director or a shareholder of any business apart from the business of the Group which competes or likely to compete, either directly or indirectly, with the business of the Group.

PURCHASE, REDEMPTION OR SALE OF SHARES OF THE COMPANY

During the year ended 31 December 2015, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities, except for the trustee of the Employees' Share Award Scheme adopted by the Board on 4 November 2014 (the "**Scheme**"). Pursuant to the terms of the rules and trust deed of the Scheme, a total of 5,134,000 shares of the Company at a total consideration of about HK$4,166,705 (equivalent of RMB3,740,000) were purchased on the Stock Exchange for the year ended 31 December 2015.

AUDIT COMMITTEE

The audit committee has discussed with the management regarding the internal controls and financial reporting matters related to the preparation of the consolidated financial statements for the year ended 31 December 2015. It has also reviewed the said consolidated financial statements in conjunction with the Company's external auditors.

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 2015 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

In order to be eligible to attend and vote at the annual general meeting ("**AGM**") of the Company which is scheduled on Monday, 16 May 2016, all transfers of shares, accompanied by the relevant share certificates, must be lodged with the Company's branch share registrars in Hong Kong, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, for registration no later than 4:30 p.m. on Friday, 13 May 2016.

PUBLICATION OF THE ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This result 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 2015 Annual Report and the Notice of AGM will be despatched to the shareholders of the Company and available on the same websites on or about 14 April 2016.

APPRECIATION

Dedicated and loyal employees are our most valuable asset in this extremely challenging and difficult year. We would like to take this opportunity to thank our colleagues on the Board and the staff members of the Group for their hard work, loyal service and contributions during the year.

By Order of the Board
China Outfitters Holdings Limited
Lo Peter
Chairman

Hong Kong, 21 March 2016

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. Wang Wei and Mr. Lin Yang; and the independent non-executive directors are Mr. Kwong Wilson Wai Sun, Mr. Cui Yi and Mr. Yeung Chi Wai.