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## **Cosmo Lady (China) Holdings Company Limited**

**都市麗人(中國)控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock code: 2298)**

### **VOLUNTARY ANNOUNCEMENT FRAMEWORK COOPERATION AGREEMENT**

This is a voluntary announcement made by the Company for the purpose of keeping the Shareholders and potential investors of the Company informed of the latest business development of the Group.

#### **THE FRAMEWORK COOPERATION AGREEMENT**

The Board is pleased to announce that, on 7 September 2018, Guangdong Cosmo Lady (an indirect wholly-owned subsidiary of the Company) entered into the Framework Cooperation Agreement with Jasan Group pursuant to which the parties intend to utilise their respective strengths to manufacture and distribute cotton socks.

Jasan Group has competitive advantages and resources on research and development, production technology, production management and supply chain for cotton sock products. Jasan Group has invited Guangdong Cosmo Lady to invest in 20% equity interest of a new production plant of Jasan Group (the “Production Plant”) and Guangdong Cosmo Lady has agreed to make this investment. The Production Plant will supply cotton socks to Guangdong Cosmo Lady at prices better than those offered by Jasan Group to its other customers. Guangdong Cosmo Lady will not take part in the management of the Production Plant.

Guangdong Cosmo Lady will leverage on its competitive advantages and strategic resources in retail management, e-commerce operation, brand promotion, product sales, etc. to distribute cotton socks products. Guangdong Cosmo Lady will incorporate a sales company for the purpose of procuring and distributing cotton sock products manufactured by the Production Plant and invite Jasan Group to invest in 20% equity interest of the sales company, and Jasan Group has agreed to make this investment.

The details of the above Production Plant and sales company, including the amounts of investment, will be separately agreed by both parties. The detailed terms of the business cooperation are subject to the parties’ further negotiations.

To the best knowledge, information and belief of the Directors, and having made all reasonable enquiries, as at the date of this announcement, Jasan Group and its ultimate beneficial owner(s) are independent third parties independent of the Company and its connected persons.

## **GENERAL INFORMATION AND REASONS FOR AND BENEFITS OF ENTERING INTO THE FRAMEWORK COOPERATION AGREEMENT**

The Group is principally engaged in the designing, marketing and selling of intimate wear products in the PRC.

Jasan Group is a company incorporated in the PRC with limited liability and its shares are listed on the Shanghai Stock Exchange (stock code: 603558). Jasan Group is principally engaged in researching and developing, designing and manufacturing of knitting products. It is a leading cotton sock and seamless underwear manufacturer in China.

The Board believes that the cooperation set out above will improve the quality of cotton sock products of the Company and ensure that there are adequate supplies.

The Directors are of the view that the terms of the Framework Cooperation Agreement are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

## **LISTING RULES IMPLICATIONS**

The entering into of the Framework Cooperation Agreement does not constitute a notifiable transaction of the Company under Chapter 14 of the Listing Rules as all applicable percentage ratios under Rule 14.07 of the Listing Rules are less than 5%. This announcement is being made by the Company on a voluntary basis.

## **DEFINITIONS**

In this announcement, unless the context requires otherwise, the following terms shall have the following meanings:

“Board”	the board of Directors
“Company”	Cosmo Lady (China) Holdings Company Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 2298)
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Directors”	the directors of the Company
“Framework Cooperation Agreement”	the framework cooperation agreement entered into between Guangdong Cosmo Lady and Jasan Group on 7 September 2018
“Group”	the Company and its subsidiaries
“Guangdong Cosmo Lady”	Cosmo Lady Guangdong Holdings Limited* (廣東都市麗人實業有限公司), a company incorporated in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company

“independent third parties”	has the meaning ascribed to it under the Listing Rules
“Jasan Group”	Zhejiang Jasan Holding Group Co., Ltd* (浙江健盛集團股份有限公司), a company incorporated in the PRC with limited liability, the shares which are listed on the Shanghai Stock Exchange (stock code: 603558)
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China, excluding Hong Kong, the Macau Special Administration Region of the People’s Republic of China and Taiwan
“Production Plant”	has the meaning ascribed thereto under the section headed “The Framework Cooperation Agreement” in this announcement
“Shareholders”	holders of the shares of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

*\* Denotes an English translation of a Chinese name and is provided for identification purpose only.*

By Order of the Board  
**Cosmo Lady (China) Holdings Company Limited**  
**Zheng Yaonan**  
*Chairman*

Hong Kong, 7 September 2018

*As at the date of this announcement, the Board comprises Mr. Zheng Yaonan, Mr. Zhang Shengfeng, Mr. Lin Zonghong, Mr. Cheng Zuming and Ms. Wu Xiaoli as executive directors of the Company; Mr. Wen Baoma, Mr. Yang Weiqiang and Mr. Hu Shengli as non-executive directors of the Company; and Mr. Yau Chi Ming, Dr. Dai Yiyi, Mr. Chen Zhigang and Dr. Lu Hong Te as independent non-executive directors of the Company.*