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**DISCLOSEABLE TRANSACTIONS
PROVISION OF SHAREHOLDER'S LOAN AND
FORMATION OF JOINT VENTURE COMPANY**

PROVISION OF SHAREHOLDER'S LOAN

The Board announces that on 31 August 2022, Shanghai Hongmeng, a subsidiary of the Company, entered into the Shareholder's Loan Agreement with the Joint Venture Company, pursuant to which Shanghai Hongmeng agreed to provide the Shareholder's Loan of RMB25,000,000 to the Joint Venture Company. The Shareholder's Loan has a term of two years with an interest rate at 4.5% per annum and will be secured by the recreation equipment and facilities purchased by the Joint Venture Company.

FORMATION OF JOINT VENTURE COMPANY

Prior to the entering into of the Shareholder's Loan Agreement, on 4 July 2022, Shanghai Hongmeng entered into the Investment and Cooperation Agreement with Shanghai Jegoplay, pursuant to which, the both parties agreed to establish the Joint Venture Company in Shanghai with a registered capital of RMB1,000,000 and each of Shanghai Hongmeng and Shanghai Jegoplay agreed to contribute to the registered capital of the Joint Venture Company at RMB400,000 and RMB600,000, respectively. The Joint Venture Company will be principally engaged in the development and operation of the Jegoplay Park.

LISTING RULES IMPLICATIONS

Pursuant to Rule 14.15 (2) of the Listing Rules, when a transaction involves establishing a joint venture entity, the total capital commitment (whether equity, loan or otherwise), including any contractual commitment to subscribe for capital and any guarantee or indemnity provided in connection with its establishment shall be aggregated for calculating the consideration ratio.

Therefore, pursuant to Rule 14.07 of the Listing Rules, as one of the applicable percentage ratios (defined under the Listing Rules) of the aggregate amount of the total capital commitment to the Joint Venture Company exceeds 5% but is less than 25%, the total capital commitment to the Joint Venture Company constituted a discloseable transaction of the Company for the purposes of the Listing Rules and is subject to the reporting and announcement requirements under Rule 14.34 of the Listing Rules.

PROVISION OF SHAREHOLDER'S LOAN

The Joint Venture Company will be principally engaged in the development and operation of the Jegoplay Park which will be located at Shanghai Yuehu sculpture park in Songjiang District, Shanghai. The Jegoplay Park will have a site area of approximately 67,000 square meters and will be equipped with unpowered recreation equipment and facilities.

The registered capital of the Joint Venture Company is RMB1,000,000 and each of Shanghai Hongmeng and Shanghai Jegoplay agreed to contribute to the registered capital of the Joint Venture Company at RMB400,000 and RMB600,000, respectively.

The development and operation of the Jegoplay Park will be in stages with an expected total investment of approximately RMB75.0 million. The first phase investment for the development and operation of the Park is expected to be of approximately RMB61.2 million. The portion of investment amount exceeding the paid-in capital of the Joint Venture Company will be financed by shareholders' loans and bank loans. On 31 August 2022, the JV Shareholders agreed that the shareholders' loans will be provided by the JV Shareholders in proportion to their equity interest in the Joint Venture. Therefore, On 31 August 2022, Shanghai Hongmeng entered into the Shareholder's Loan Agreement with the Joint Venture Company, pursuant to which Shanghai Hongmeng agreed to provide a shareholder's loan of RMB25,000,000 to the Joint Venture Company.

Major terms of the Shareholder's Loan are set out as follows:

Date:	31 August 2022
Parties:	(1) Shanghai Hongmeng; and (2) the Joint Venture Company
Principal amount:	RMB25,000,000
Interest rate:	4.5% per annum
Term of the Shareholder's Loan	2 years commencing from 31 August 2022
Withdrawal of the Shareholder's Loan	the withdrawal of the Shareholders' loans will be in installments by reference to the construction progress
Securities of the Shareholder's Loan	the Shareholder's Loan will be secured by the recreation equipment and facilities purchased by the Joint Venture Company

The Shareholder's Loan committed to be provided by Shanghai Jegoplay is RMB37,500,000.

FORMATION OF THE JOINT VENTURE COMPANY

Prior to the entering into of the Shareholder's Loan Agreement, on 4 July 2022, Shanghai Hongmeng entered into the Investment and Cooperation Agreement with Shanghai Jegolay, pursuant to which, the both parties agreed to establish the Joint Venture Company with a registered capital of RMB1,000,000 in Shanghai and each of Shanghai Hongmeng and Shanghai Jegoplay agreed to contribute to the registered capital of the Joint Venture Company at RMB400,000 and RMB600,000, respectively. The Joint Venture Company will be principally engaged in the development and operation of the Jegoplay Park.

THE INVESTMENT AND COOPERATION AGREEMENT

Major terms of the Investment and Cooperation Agreement are set out as follows:

Date:	4 July 2022
Parties:	(1) Shanghai Hongmeng; and (2) Shanghai Jegoplay
Name of the Joint Venture Company:	Shanghai Jegoplay Hongmeng Cultural Development Co., Ltd.
Scope of business:	Development and operation of children's theme park, catering and retail
Registered capital and capital contribution:	The total amount of registered capital of the Joint Venture Company is RMB1,000,000. Shanghai Hongmeng is responsible to contribute 40% of the registered capital of the Joint Venture Company in the sum of RMB400,000. Shanghai Jegoplay is responsible to contribute 60% of the registered capital of the Joint Venture Company in the sum of RMB600,000.
Expected total investment	RMB75.0 million
Board and management of the Joint Venture Company	The board of directors of the Joint Venture shall consist of five directors. Shanghai Hongmeng shall nominate two directors of the Joint Venture Company and Shanghai Jegoplay shall nominate three directors of the Joint Venture Company. The chairman of the board shall be elected by the board of directors of the Joint Venture Company.
Matters requiring unanimous consent of the JV Shareholders	(1) profit distribution plan and loss makeup plan (2) change the principal business activities (3) any single off-budget expenditure exceeding RMB20,000 (4) financing, provision of financial guarantee or related party transactions (5) employee stock ownership plans (6) change of management personnel including general manager, finance controller, technical director etc. (7) share repurchase

Profit distribution: Distributable profit shall be distributed to the JV Shareholders in accordance with their respective equity interest in the Joint Venture Company. The amount of distributable profit will be generally no less than 50% of the profit for the year, but is subject to JV shareholders' further approval.

REASONS AND BENEFITS FOR THE TRANSACTIONS

The Group owns a number of internationally recognized brands including MCS, Henry Cotton's, Marina Yachting, London Fog and Zoo York and has over 20-year-experience in the retail market in China while Shanghai Jegoplay has successful experience in the construction and operation of children's theme parks in China.

The Joint Venture Company will integrate and leverage the advantages of the joint venture partners. The Group will utilize its expertise in retailing and develop daily necessities under the Group's brands including shoes and clothing, luggage, accessories, toys, blind boxes etc. These products will also be introduced in the Jegoplay Park, which will enable the Group to enhance the brand awareness of the Group's brands and attract new target audience of the Group.

The amount of the capital contribution and Shareholder's Loan was determined after arm's length negotiations among JV Shareholders, taking into account the respective equity interest held by Shanghai Hongmeng and Shanghai Jegoplay in the Joint Venture Company, the financial resources available to the JV Shareholders, and the funding needs of the Joint Venture Company in developing and operation of the Jegoplay Park.

The Directors are of the view that the provision of the Shareholder's Loan forms an integral part of the total capital commitment to the formation of the Joint Venture Company.

In view of the above, the Directors consider that the transactions are entered into on normal commercial terms and are fair and reasonable and in the interests of the Company and the Group and its Shareholders as a whole.

INFORMATION ABOUT THE PARTIES

The Company 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.

Shanghai Hongmeng, a subsidiary of the Company, is principally engaged in the design, manufacturing, marketing and sale of apparels, children's wear, accessories, daily necessities etc. under the "Pancoat Wonderland" (「盼酷樂園系列」) brand and investment. The Company indirectly owned 60% equity interest in Shanghai Hongmeng.

Shanghai Jegoplay is a limited company incorporated in the PRC and is principally engaged in the management and operation of theme parks and planning and organization of cultural and artistic activities. To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, its ultimate beneficial owners are independent third parties independent of the Company and its connected persons.

The Joint Venture Company is a company incorporated in the PRC and is owned as to 40% by Shanghai Hongmeng and 60% by Shanghai Jegoplay. The Joint Venture Company will be principally engaged in the development and operation of the Jegoplay Park.

LISTING RULES IMPLICATIONS

Pursuant to Rule 14.15 (2) of the Listing Rules, when a transaction involves establishing a joint venture entity, the total capital commitment (whether equity, loan or otherwise), including any contractual commitment to subscribe for capital and any guarantee or indemnity provided in connection with its establishment shall be aggregated for calculating the consideration ratio.

Therefore, pursuant to Rule 14.07 of the Listing Rules, as one of the applicable percentage ratios (defined under the Listing Rules) of the aggregate amount of the total capital commitment to the Joint Venture Company exceeds 5% but is less than 25%, the total capital commitment to the Joint Venture Company constituted a discloseable transaction of the Company for the purposes of the Listing Rules and is subject to the reporting and announcement requirements under Rule 14.34 of the Listing Rules.

DEFINITIONS

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

“Board”	the board of Directors of the Company
“Company”	China Outfitters Holdings Limited, a company incorporated in the Cayman Islands which has its shares listed on the main board on the Stock Exchange
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“Investment and Cooperation Agreement”	the investment and cooperation agreement dated 4 July 2022 and entered into among Shanghai Hongmeng and Shanghai Jegoplay
“Jegoplay Park”	Jegoplay Tuwowo Pancoat theme park (「季高兔窩窩 Pancoat樂園」) to be located at Shanghai Yuehu sculpture park in the Songjiang District, Shanghai
“Joint Venture Company”	Shanghai Jegoplay Hongmeng Cultural Development Co., Ltd. (「上海季高紅盟文化發展有限公司」), a company incorporated and registered in the PRC
“JV Shareholders”	Shanghai Hongmeng and Shanghai Jegoplay
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of PRC

“Shanghai Hongmeng”	Shanghai Hongmeng Cultural Development Co., Ltd. (「上海紅盟文化發展有限公司」), a company incorporated and registered in the PRC
“Shanghai Jegoplay”	Shanghai Jegoplay Cultural Development Group Co., Ltd. (「上海季高文化發展集團有限公司」), a company incorporated and registered in the PRC
“Shareholder(s)”	the shareholder(s) of the Company
“Shareholder’s Loan”	The shareholder’s loan provided by Shanghai Hongmeng to the Joint Venture Company pursuant to the terms of the Shareholder’s Loan Agreement
“Shareholder’s Loan Agreement”	the shareholder’s loan agreement dated 31 August 2022 and entered into among Shanghai Hongmeng and the Joint Venture Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent

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

Shanghai, 1 September 2022

As at the date of this announcement, the executive directors of the Company are Mr. Zhang Yongli, Mr. Sun David Lee and Ms. Huang Xiaoyun; the non-executive director is Mr. Wang Wei; and the independent non-executive directors are Mr. Kwong Wilson Wai Sun, Mr. Cui Yi and Mr. Yeung Chi Wai.