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(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1146)

## **DISCLOSEABLE TRANSACTION FORMATION OF PARTNERSHIP**

### **FORMATION OF THE PARTNERSHIP 1**

On 24 January 2024 (after trading hours), Zhuhai Sinosure (a company indirectly owned as to 49% by the Company and is therefore not regarded as a subsidiary of the Company), as limited partner, entered into the Partnership Agreement 1 with Gree Equity, as general partner, in relation to the formation of the Partnership 1. The total capital contribution by all partners to the Partnership 1 shall be RMB10,000,000, of which each of Zhuhai Sinosure and Gree Equity shall contribute RMB5,000,000 and RMB5,000,000, respectively. The disclosure regarding the formation of the Partnership 1 in this announcement thus is made on a voluntary basis and for background information only.

### **FORMATION OF THE PARTNERSHIP 2**

On 24 January 2024 (after trading hours), Guangdong Junrui (an indirect wholly-owned subsidiary of the Company), as limited partner, entered into the Partnership Agreement 2 with Zhuhai Xingge, as limited partner, and Partnership 1, as general partner, in relation to the formation of the Partnership 2. The total capital contribution by all Partners to the Partnership 2 shall be RMB100,000,000, of which each of Guangdong Junrui, Zhuhai Xingge and Partnership 1 shall contribute RMB55,000,000, RMB35,000,000 and RMB10,000,000, respectively.

### **LISTING RULES IMPLICATIONS**

As the highest applicable percentage ratio in relation to the formation of the Partnership 2 is less than 25% but more than 5%, the formation of the Partnership 2 constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

## **BACKGROUND**

Reference is made to the announcement of the Company dated 27 December 2023 regarding the inside information in respect of memorandum of understanding in relation to possible formation of the partnerships.

On 24 January 2024 (after trading hours), Zhuhai Sinosure (a company indirectly owned as to 49% by the Company and is therefore not regarded as a subsidiary of the Company), as limited partner, entered into the Partnership Agreement 1 with Gree Equity, as general partner, in relation to the formation of the Partnership 1. The total capital contribution by all partners to the Partnership 1 shall be RMB10,000,000, of which each of Zhuhai Sinosure and Gree Equity shall contribute RMB5,000,000 and RMB5,000,000, respectively. The disclosure regarding the formation of the Partnership 1 in this announcement thus is made on a voluntary basis and for background information only.

On 24 January 2024 (after trading hours), Guangdong Junrui (an indirect wholly-owned subsidiary of the Company), as limited partner, entered into the Partnership Agreement 2 with Zhuhai Xingge, as limited partner, and Partnership 1, as general partner, in relation to the formation of the Partnership 2. The total capital contribution by all Partners to the Partnership 2 shall be RMB100,000,000, of which each of Guangdong Junrui, Zhuhai Xingge and Partnership 1 shall contribute RMB55,000,000, RMB35,000,000 and RMB10,000,000, respectively.

## **PRINCIPAL TERMS OF THE PARTNERSHIP AGREEMENT 1**

The principal terms of the Partnership Agreement 1 are set out below:

Date:	24 January 2024
Parties:	<ol style="list-style-type: none"><li>1. Gree Equity (as general partner/executive partner); and</li><li>2. Zhuhai Sinosure (as limited partner).</li></ol>
Name of partnership:	Zhuhai Gejin Xinbao Joint Investment Partnership (Limited Partnership)* (珠海格金信保聯合投資合夥企業(有限合夥))
Scope of business:	The scope of business of the Partnership 1 includes engaging in investment activities with its own funds, social and economic consulting services, business management and business management consulting. The specific scope of business of the Partnership 1 shall be subject to the approval of the relevant government authorities of the PRC.
Term of partnership:	The Partnership 1 shall have a term of seven years, commencing from the date of its establishment. The executive partner may decide to dissolve the Partnership 1 in advance or extend the term of the Partnership 1.

Purpose of partnership: The purpose of the Partnership 1 is to invest in the Partnership 2 and serve as its general partner and executive partner, to protect the rights and interests of all its partners and to achieve maximum financial benefits for the Partnership 1.

Capital contribution: The total capital contribution by all partners to the Partnership 1 shall be RMB10,000,000, of which each of Zhuhai Sinosure and Gree Equity shall contribute RMB5,000,000 and RMB5,000,000, respectively.

The size of the Partnership 1 and the capital contribution of each partner were determined after arm's length negotiations among the partners with reference to the expected capital needs of the Partnership 1.

Management: Gree Equity, as the general partner and executive partner, is vested with the power to manage and maintain the assets of the Partnership 1 for and on behalf of the Partnership 1, to deal with all matters necessary for the operations and valid subsistence of the Partnership 1 as well as the right to take all other actions necessary to achieve the purpose of the Partnership 1 and maintain or strive for the legitimate rights and interests of the Partnership 1.

The non-executive partner shall have the right to supervise the management of affairs of the Partnership 1 by the executive partner. The executive partner shall regularly report to other non-executive partner the management of affairs and the operating and financial status of the Partnership 1.

## **PRINCIPAL TERMS OF THE PARTNERSHIP AGREEMENT 2**

The principal terms of the Partnership Agreement 2 are set out below:

Date: 24 January 2024

Parties:

1. Guangdong Junrui (as limited partner);
2. Zhuhai Xingge (as limited partner); and
3. Partnership 1 (as general partner/executive partner).

Name of partnership: Zhuhai Gejin Xinbao Equity Investment Fund Partnership (Limited Partnership)\* (珠海格金信保股權投資基金合夥企業(有限合夥)) (subject to the approval of the relevant government authorities of the PRC)

- Scope of business: The scope of business of the Partnership 2 includes equity investment, investment management, asset management, etc. The specific scope of business of the Partnership 2 shall be subject to the approval of the relevant government authorities of the RPC.
- Term of partnership: The Partnership 2, as private equity fund, shall have a term of seven years, commencing from the date of its establishment. The executive partner may decide to dissolve the Partnership 2 in advance. The first four years from the date of establishment are the investment period and the following three years are the exit period. The executive partner shall have the sole discretion to extend each of the investment period and the exit period for once for a period of one year based on the operating needs of the Partnership 2.
- Purpose of Partnership: The purpose of the Partnership 2 is to achieve satisfactory return to all partners to the Partnership 2 by engaging in the business of direct equity investment and fund investment in accordance with the applicable laws and regulations and the terms of the Partnership Agreement 2. The Partnership 2 shall invest in the fields of new generation information technology, new energy, integrated circuits, intelligent manufacturing, biomedicine and health, smart home appliances, equipment manufacturing and fine chemicals.
- Capital contribution: The total capital contribution by all partners to the Partnership 2 shall be RMB100,000,000, of which each of Guangdong Junrui, Zhuhai Xingge and Partnership 1 shall contribute RMB55,000,000, RMB35,000,000 and RMB10,000,000, respectively. The capital contribution to be made by Guangdong Junrui will be funded by the Group's internal resources and the capital contribution to be made by the Partnership 1 will be funded by the internal resources of its partners in proportion to their aggregate paid-in capital contribution to the Partnership 1.
- The size of the Partnership 2 and the capital contribution of each partner were determined after arm's length negotiations among the partners with reference to the expected capital needs of the Partnership 2.
- Management: Partnership 1, as the general partner and executive partner, is vested with the power to manage and maintain the assets of the Partnership 2 for and on behalf of the Partnership 2, to deal with all matters necessary for the operations and valid subsistence of the Partnership 2 as well as the right to take all other actions necessary to achieve the purpose of the Partnership 2 and maintain or strive for the legitimate rights and interests of the Partnership 2.

The partners to the Partnership 2 have agreed to appoint the Fund Manager as designated by the executive partner to provide investment management, administrative management, daily operation management and other services to the Partnership 2. For the investment period, an annual management fee in an amount equal to 0.4% of the total paid-in capital contribution of the Partnership 2, and for the exit period, an annual management fee in an amount equal to 0.4% of the difference between the total paid-in capital contribution of the Partnership 2 and the investment principal of the exited investment projects, will be paid by the Partnership 2 for the management services rendered by the Fund Manager to the Partnership 2. No management fee shall be charged subsequently if the investment period or the exit period is extended pursuant to the terms of the Partnership Agreement 2.

The power to make investment related decision is vested with the investment committee formed by three members, of which two members will be nominated by the Fund Manager and one member will be nominated by the executive partner. Any decision to be passed by the investment committee requires the consent of the majority of its members, except in the event that the investment project involves connected transaction, the transaction shall be approved by unanimous consent of all the disinterested members.

The Partnership 2 shall enter into custodian agreement with a commercial bank for the custody of the funds of the Partnership 2.

Key policy of distributable profits:

Any distributable profits attributable to the Partnership 2 shall be distributed in the following order of priority:

1. 100% to the partners (in proportion to their aggregate paid-in capital contribution to the Partnership) until each partner has received an amount equal to its aggregate paid-in capital contribution to the Partnership 2;
2. 100% to the partners (in proportion to their aggregate paid-in capital contribution to the Partnership) until each partner has received an amount equal to a rate of 8% per annum of its aggregate paid-in capital contribution to the Partnership 2 calculated based on the number of days as specified in the Partnership Agreement 2; and
3. 80% to the limited partners (in proportion to their aggregate paid-in capital contribution to the Partnership 2), 16% to the general partner and 4% to the Fund Manager.

Debt sharing:	Any debts of the Partnership 2 shall be borne by all partners provided however that the limited partners shall be liable for the debts of the Partnership 2 up to the amount of their respective committed capital contribution whereas the general partner shall bear unlimited liability for the debts of the Partnership 2.
Transfer of partnership interest:	Any limited partner shall not transfer its partnership interest to third parties unless such transfer is approved at a meeting of the partners or in accordance with the terms of the Partnership Agreement 2, except for the transfer of partnership interest by any limited partner to its associates or the existing partners to the Partnership 2 for which only the approval of the executive partner is required. General partner shall not transfer its partnership interest to third parties during the term of the Partnership 2 unless prior consent from all partners to the Partnership 2 is obtained.

## **INFORMATION OF THE COMPANY**

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, and property development.

## **INFORMATION OF THE RESPECTIVE GENERAL PARTNER AND THE LIMITED PARTNER(S) OF THE PARTNERSHIPS**

### **Partnership 1**

To the best knowledge of the Directors, Zhuhai Sinosure is a company established in the PRC with limited liability and is principally engaged in the businesses of investment and management consulting in the PRC. Zhuhai Sinosure is an associate of the Company. The Company indirectly holds 49% equity interests in Zhuhai Sinosure and Guangdong Baoxin Investment Co., Ltd. (廣東保信投資有限公司) holds 51% equity interests in Zhuhai Sinosure. Guangdong Baoxin Investment Co., Ltd. is ultimately beneficially owned as to 90% by Mr. Gu Hao (谷豪先生) and 10% by Mr. Li Kefeng (李科峰先生).

To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, Mr. Gu Hao and Mr. Li Kefeng are third parties independent of the Company and connected persons of the Company.

To the best knowledge of the Directors, Gree Equity is a company established in the PRC with limited liability and is principally engaged in the businesses of equity investment and assets management in the PRC. It is ultimately beneficially owned as to 90% by Zhuhai SASAC and 10% by Guangdong Provincial Department of Finance.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, Gree Equity and its respective ultimate beneficial owners, are third parties independent of the Company and connected persons of the Company.

## **Partnership 2**

To the best knowledge of the Directors, Guangdong Junrui is a company established in the PRC with limited liability and is principally engaged in the businesses of holding and leasing of properties and sale of apparel and accessories. It is an indirect wholly-owned subsidiary of the Company.

To the best knowledge of the Directors, Zhuhai Xingge is a company established in the PRC with limited liability and is principally engaged in the businesses of investment and assets management with its own funds in the PRC. It is ultimately beneficially owned as to 90% by Zhuhai SASAC and 10% by Guangdong Provincial Department of Finance.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, Zhuhai Xingge and its respective ultimate beneficial owners, are third parties independent of the Company and connected persons of the Company.

Partnership 1 is a limited partnership established in the PRC and is principally engaged in the businesses of investment activities with its own funds, social and economic consulting services, business management and business management consulting. The principal purpose for the formation of the Partnership 1 is to invest in the Partnership 2. It is indirectly owned as to 24.5% by the Company.

## **REASONS FOR AND BENEFITS OF THE FORMATION OF THE PARTNERSHIP 2**

The Board is confident that, the formation of the Partnership 2 will provide the Group with opportunities to engage with industries and enterprises poised for future growth, thereby creating favorable conditions for the Group's business transformation, development and diversification.

In view of the above, the Directors (including the independent non-executive Directors) are of the view that the formation of the Partnership 2 is conducted by the Company in its ordinary and usual course of business, on normal commercial terms, is fair and reasonable and in the interests of the Company and its Shareholders as a whole.

## **LISTING RULES IMPLICATIONS**

As the highest applicable percentage ratio in relation to the formation of the Partnership 2 is less than 25% but more than 5%, the formation of the Partnership 2 constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.



## DEFINITIONS

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

“Board”	the board of Directors
“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
“Fund Manager” or “Gree Equity”	Zhuhai Gree Equity Investment Fund Management Co., Ltd.* (珠海格力股權投資基金管理有限公司)
“Group”	the Company and its subsidiaries
“Guangdong Junrui”	Guangdong Junrui Industrial Co., Ltd.* (廣東君瑞實業有限公司), an indirect wholly-owned subsidiary of the Company
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Partnership 1”	Zhuhai Gejin Xinbao Joint Investment Partnership (Limited Partnership)* (珠海格金信保聯合投資合夥企業(有限合夥))
“Partnership 2”	Zhuhai Gejin Xinbao Equity Investment Fund Partnership (Limited Partnership)* (珠海格金信保股權投資基金合夥企業(有限合夥))
“Partnership Agreement 1”	the partnership agreement dated 24 January 2024 entered into among Gree Equity (as general partner) with Zhuhai Sinosure (as limited partner) in relation to the formation of the Partnership 1
“Partnership Agreement 2”	the partnership agreement dated 24 January 2024 entered into among Guangdong Junrui (as general partner) with Zhuhai Xingge (as limited partner) and Partnership 1 (as limited partner) in relation to the formation of the Partnership 2



“percentage ratio”	has the same meaning as ascribed to it under the Listing Rules
“PRC”	the People’s Republic of China, excluding Hong Kong, the Macao Special Administrative Region of the PRC and Taiwan for the purpose of this announcement
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholder(s)”	holder(s) of the ordinary shares of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the same meaning as ascribed to it under the Listing Rules
“Zhuhai SASAC”	Zhuhai State-owned Assets Supervision and Administration Commission
“Zhuhai Sinosure”	Zhuhai Sinosure Joint Investment Co., Ltd.* (珠海信保聯合投資有限公司)
“Zhuhai Xingge”	Zhuhai Xingge Capital Investment Co., Ltd.* (珠海興格資本投資有限公司)
“%”	per cent

\* *For identification purpose only*

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

Shanghai, 24 January 2024

*As at the date of this announcement, the executive Directors are Mr. Zhang Yongli, Mr. Sun David Lee and Ms. Huang Xiaoyun; the non-executive Director is Mr. Wang Wei; and the independent non-executive Directors are Mr. Kwong Wilson Wai Sun, Mr. Yeung Chi Wai and Mr. Ho Ka Wang.*