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(Incorporated in the Cayman Islands with limited liability)
(Stock code: 1146)

**INSIDE INFORMATION
AND
PROFIT WARNING**

This announcement is made by the Company pursuant to Rule 13.09(2)(a) of the Listing Rules and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance.

The Board wishes to inform the shareholders of the Company and potential investors that the Group's unaudited net profit for the year ended 31 December 2015 is expected to decrease significantly by at least 40% as compared with that for the year ended 31 December 2014 of RMB202,911,000.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in shares of the Company.

This announcement is made by China Outfitters Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities (“**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board (the “**Board**”) of the directors of the Company wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that, based on the information currently available to the Group, it is expected that Group's unaudited net profit for the year ended 31 December 2015 will decrease significantly by at least 40% as compared with that for the year ended 31 December 2014 of RMB202,911,000. The decline of the unaudited net profit is mainly attributable to (i) the continuous slowdown in growth of macro-economy and weak retail market sentiment; (ii) the impact of e-commerce on conventional retailers and led to a decrease in revenue of the Group; (iii) decrease in gross profit margin due to provisions against long-aging inventories; (iv) decrease in finance income; and (v) increase in selling and distribution costs for development of the Group's new brands.

Notwithstanding the impact of the above-mentioned factors, the Board is of the view that the Group has achieved steady progress in its strategic development, and the operational and financial position of the Group remains sound and stable.

The information contained in this announcement is only based on the preliminary assessment by the Board with reference to the information currently available, which has not yet been audited by or discussed with the auditors of the Company. The actual results of the Group for the year ended 31 December 2015 may be different from what is contained in this announcement. The annual results announcement of the Company for the year ended 31 December 2015 is expected to be released in March 2016.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in shares of the Company.

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

Hong Kong, 5 February 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.