

(For Immediate Release)



Cabbeen announces 2019 interim results
Profit for the period remained steady at RMB110.0 million

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e-commerce continued encouraging performance

(5 August 2019, Hong Kong) Cabbeen Fashion Limited (“Cabbeen” or the “Company”, including subsidiaries, the “Group”, HKSE stock code: 2030), one of the leading menswear designer brands in China, announces its results for the six months ended 30 June 2019 (the “Period”).

Results and Operation Highlights:

Financial Highlights

- Revenue increased slightly by 0.3% to RMB 559.9 million.
- Gross profit was RMB267.9 million, with gross profit margin remained stable at 47.8%.
- Profit for the Period remained stable at RMB110.0 million, with net profit margin at 19.6%.
- Basic earnings per share were RMB16.46 cents.
- Resolved to declare an interim dividend of HK7.5 cents per share.

Steady retail channel performance

- Total retail revenue declined 8.3% from the same period in 2018 due to weak consumer sentiment and the exceptional warm weather in the first quarter of 2019.
- Revenue from physical retail stores declined 12.5% from the same period in 2018, and same-store-sales growth of comparable stores declined 13.0%.
- Average retail discount at physical stores was 24.1%.
- The total number of retail stores remained stable at 912, with the majority located in second- and third-tier cities and 38.0% were in shopping malls.

Persistently encouraging performance of e-commerce business

- Revenue from online shops increased 14.0% from the same period in 2018 to RMB243.7 million.
- Cabbeen had 2.1 million WeChat fans and members as of 30 June 2019.

Overall inventory remained steady

- Up to 30 June 2018, sell-through rate of the Group’s 2018 collections was over 77.4% and that of 2019 spring/summer collections was 57.4%.
- Average inventory turnover days was 215 days.

Commenting on the future prospects of Cabbeen, **Mr. Ziming Yang, Chairman of Cabbeen**, said: “During the first half of 2019, market confidence was generally negatively impacted by the trade tension between China and the US and uncertainty on the

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5 August, 2019/ Page 2*

macroeconomic outlook. We expect consumption will continue to slow in the second half of 2019. Nevertheless, we still believe that our e-commerce and multi-brand strategies will continue to be our key drivers. We shall accordingly focus on expanding our e-commerce and omni-channel capabilities, and continue to look for opportunities to broaden our brand portfolio and customer base

“On 3 July 2019, a resolution was passed at the Company’s extraordinary general meeting to approve the acquisition two parcels of land and 10 blocks of building located at Shishi Industrial Park, Fujian Province (the “Property”). The Property is close to the Group’s existing logistic centre. We have had preliminary discussion with one of our existing suppliers for conducting its manufacturing operations in the Property and to enhance production facilities including upgrades of information system and machinery which will enable better managed manufacturing operations and allow us and our strategic suppliers to collect and share data about customer demands, production schedules, and inventory levels. We believe that these enhancements will enable us to meet customer demands timely.

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About Cabbeen

Cabbeen is one of the leading Chinese designer brands. It designs and sells apparels for men, women and children under four brands, namely, Cabbeen Lifestyle, Cabbeen Urban, Cabbeen Love and 2AM. Its retail network covers 31 provinces, autonomous regions and municipalities and several online platforms in the People’s Republic of China.

For further inquiries, please contact:

Unicorn Financial Company Limited

Natalie Tam/ Peter Chan

Tel: (office hours) 2838 2360 / 2838 2500

Tel: (after office hours) 9306 7346

Email: natalietam@unicornfin.com/ peterchan@unicornfin.com