

[For Immediate Release]



Cabbeen Announces 2019 Annual Results

(11 March 2020, Hong Kong) Cabbeen Fashion Limited (“Cabbeen, HKSE stock code: 2030), one of the leading menswear designer brands in China, announces its audited results for the year ended 31 December 2019 (the “Year”).

Results and Operation Highlights:

Financial Highlights

- Revenue remained flat at approximately **RMB1,275.0 million**.
- Gross profit dropped 3.2% to **RMB560.1 million** with gross profit margin lowered 1.5 percentage points to **43.9%**.
- Profit for the Year decreased by 24.8% to **RMB158.1 million** with net profit margin at **12.4%**.
- Basic earnings per share for the Year were **RMB23.58 cents**, down 25.6%.
- Recommended payment of a final dividend of **3.0 HK cents** per share.
- Including the interim dividend of 7.5 HK cents per share already paid, dividend payout ratio for the Year was approximately 40.0%.

Retail Performance

- Total retail revenue decreased by 4.1%, primarily due to weak consumption sentiment.
- Retail sales revenue and same store sales from physical stores decreased by 6.2% and 7.8%, respectively, as compared to that of 2018.
- Retail revenue from online shops increased by approximately 5.0% to RMB528.7 million for the Year.
- Up to 31 January 2020, sell-through rate of the Group’s 2019 collections was over 71.4%.
- The total number of retail stores dropped from 910 to 888 as at the end of 2019.
- The majority of retail stores were in second and third-tier cities and 41.7% of the stores were in shopping malls.
- Cabbeen had 2.4 million WeChat fans and members as of 31 December 2019.

Design and product development

- Had four design workshops in Guangzhou City, Hong Kong, Milan and Paris, respectively, with a team of 84, including 48 designers joining from mainland China, other Asia countries, Hong Kong and Europe.
- The Group also works with design institutes and contract designers from around the world.
- Offered over 4,600 new stock keeping-units (SKUs) for 2019 product collections.

Building Omni-Channel Capabilities

- Invested in building omni-channel capabilities.
- The ERP system connects physical stores operated by consignment distributors directly to Wechat store and facilitates a single view of inventory across channels.
- Offers an online reservation, pick up in store service to its customers which allows customers to select in-store inventory from Wechat platform and collect the product from a physical store.
- Started to fulfil orders from Wechat stores by shipping products either from logistics centre or consignment stores.
- Continues to optimize the omni-channel services for better customer shopping experience.

Commenting on the future prospects of Cabbeen, **Mr. Ziming Yang, Chairman of Cabbeen**, said: “In 2019, the Group’s business was affected by the uncertainty of macro-economic situation, slowing down of economic growth and fierce competition in mainland China market. To prepare for the long-term competitiveness of the brands, the Group has invested in upstream apparel production business in 2019. We believe that development of our own production facilities can help us response quickly to fast-changing customer preferences by producing small quantity of trendy and new brands products at a shorter lead time. We will proceed step by step to control the cost impact on the Group’s financial performance and focus on production of the Group’s core products only.”

“Since January 2020, our operations were undeniably adversely affected by the outbreak of the coronavirus in mainland China. Given the level of business disruption and reduced customer traffic caused by these circumstances, we expect that our operating results for 2020 will be materially and adversely affected. We will strive to stay vigilant and be proactive in responding to these extraordinary circumstances.”

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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, 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) 2868 2360 / 2868 2500

Tel: (after office hours): 9306 7346 / 9459 9778

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