

(For Immediate Release)



Cabbeen announces 2020 interim results
Profit for the period rose 6.0% to reach RMB116.6 million

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Outbreak of COVID-19 disrupted the sales performance of physical stores while e-commerce continued to deliver satisfactory growth

(3 August 2020, 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 2020 (the “Period”).

Results and Operation Highlights:

Financial Highlights

- Revenue decreased by 14.5% to RMB478.6 million.
- Gross profit dropped 13.1% to RMB232.7 million, with gross profit margin rose slightly to 48.6%.
- Profit for the Period increased by 6.0% to RMB116.6 million, with net profit margin rose 4.8 percent points to 24.4%.
- Basic earnings per share were RMB17.32 cents.
- Resolved to declare an interim dividend of HK7.6 cents per share.

Retail channel performance

- Retail channel performance for the Period was adversely affected by the outbreak of Covid-19 coronavirus and weak consumption sentiment.
- Total retail revenue declined 13.9% from the same period in 2019.
- Revenue from physical retail stores declined 21.3% from the same period in 2019, and same-store-sales growth of comparable stores declined 13.7%. Average retail discount at physical stores was 27.7%.
- The total number of retail stores scaled back from 912 from the same period in 2019 to 811 for the same period in 2020, with the majority located in second- and third-tier cities and 43.4% were in shopping malls.
- Retail revenue from online shops increased by 16.4%.
- Up to 30 June 2020, sell-through rate of the Group’s 2019 collections was over 75.6% and that of 2020 spring/summer collections was 52.6%.

Persistently encouraging performance of e-commerce business

- Revenue of e-commerce business of the Group increased by 21.0% to RMB243.3 million.
- Cabbeen had 2.7 million WeChat fans and members as of 30 June 2020.

Sales of medical gowns and medical facial masks

- The Group has commenced the production and sale of medical gowns and medical facial masks (“PPE”) since February 2020 in response to the PRC government’s invitation to support in the midst of the pandemic.
- During the Period, revenue and net income from sale of PPE amounted to RMB383.3 million and RMB71.7 million, respectively.

Healthy cash position

- At 30 June 2020, the Group was in net cash position of RMB66.5 million.
- The Group’s liquidity position remains healthy and possesses sufficient cash and available banking facilities to meet its commitments and working capital requirements.

Commenting on the future prospects of Cabbeen, **Mr. Ziming Yang, Chairman of Cabbeen**, said: “The outbreak of Covid-19 led to extraordinary disruptions to business activities in the PRC. Though there was improvement in the Group’s core business in May and June 2020, we believe that consumer sentiment won’t restore to normal in the near term. The Group will remain cautious and stay vigilant in response to the evolving situation.

“On the other hand, the Group believes that the future trend will be more favorable to e-commerce business after the pandemic as more customers have switched their consumption to online platforms during the pandemic and the online shopping pattern will continue. Looking forward, the Group will be prudent in physical store expansion. Alternatively, we will deploy more resources into online business and priority will be put on investment of omni-channel and CRM capabilities.”

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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.

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