

[For Immediate Release]



## **Cabbeen Announces 2020 Annual Results**

(8 February 2021, Hong Kong) Cabbeen Fashion Limited (“Cabbeen, HKSE stock code: 2030), one of the leading apparel designer brands in China, announces its audited results for the year ended 31 December 2020 (the “Year”).

### **Results and Operation Highlights:**

#### **Financial Highlights**

- Revenue for the Year remained flat at approximately **RMB1,288.4 million**.
- Gross profit increased 8.6% to **RMB608.5 million** with gross profit margin widened 3.3 percentage points to **47.2%**.
- Profit for the Year increased by 23.3% to **RMB195.0 million** with net profit margin widened 2.7 percentage points to **15.1%**.
- Basic earnings per share for the Year were **RMB29.05 cents**, up 23.2%.
- Resolved to recommend payment of a final dividend of **5.3 HK cents** per share.
- Including the interim dividend of 7.5 HK cents per share already paid, total payout for the year was 12.9 HK cents, dividend payout ratio for the Year was approximately 40.0%, unchanged from 2019.

#### **Retail Performance**

- Total retail revenue decreased by 1.4%, primarily a result of the Pandemic in the first quarter of the Year.
- Retail sales revenue and same store sales from physical stores decreased by 7.2% and 6.0%, respectively, as compared to that of 2019.
- Retail revenue from online shops increased by approximately 21.4% to RMB641.9 million for the Year.
- The total number of retail stores dropped from 888 to 811 as at the end of 2020.
- The majority of retail stores were in second-tier and third-tier cities and 46.0% of the stores were in shopping malls.
- Cabbeen had 3.0 million WeChat fans and members as of 31 December 2020.

#### **Design and product development**

- Had four design workshops in Guangzhou City, Hong Kong, Milan and Paris, respectively, with a team of 73, including 49 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 4,700 new stock keeping-units (SKUs) for 2020 product collections.

### **Building Omni-Channel Capabilities**

- Invested in building omni-channel capabilities in markets with outlets operated by consignment distributors.
- The ERP system facilitated a single view of inventory across channels, connecting physical stores directly to WeChat store.
- Offers a “reserve online, pick up in store service” to its customers which allows customers to select in-store inventory from WeChat platform
- 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: “Because of the Pandemic in the first quarter of Year, most of the Group’s retail outlets were ordered to close temporarily during February to March. Accordingly, the Group’s revenue from core fashion business for the first quarter dropped significantly due to temporary store closures and poor consumer sentiment. Fortunately, there was improvement in the Group’s core business in the second half when the Pandemic in China was gradually alleviated. During the Pandemic, the Group’s e-commerce business also provided good results which made up part of the loss of revenue from physical stores.

“Going forward, we believe there will be more favorable trends for e-commerce business after the Pandemic as more customers have switched their consumption from offline physical stores to online platforms. We believe this will accelerate the shift to digital and omni-channel distribution by fashion companies. Therefore, we will continue to invest in our digital platforms and omnichannel capabilities to uphold our competitiveness. At the same time, we will keep investing in our physical store network in shopping centres with robust consumer traffic.”

- End -

### **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