

(For Immediate Release)



Cabbeen announces 2018 interim results
Profit for the period increased by 24.1% to RMB109.1 million

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Retail store performance improved
while e-commerce business yielded encouraging results

(1 August 2018, 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 2018 (the “period”).

Results and Operation Highlights:

Financial Highlights

- Revenue increased by 37.5% to RMB 558.1 million.
- Gross profit increased by 23.0% to RMB 267.3 million, with gross profit margin at 47.9%.
- Profit for the period increased by 24.1% to RMB109.1 million, with net profit margin at 19.6%.
- Basic earnings per share were RMB 0.1640, up 31.3% from the same period in 2017.
- Resolved to declare an interim dividend of 13.2 HK cents per share.

Improved retail channel performance

- Total retail revenue from both online and offline stores increased 11.7% from the same period in 2017.
- Revenue from physical retail stores increased by 5.2% from the same period in 2017.
- Same-store-sales growth of comparable stores increased by 8.5%.
- Average retail discount at physical stores was 19.0% (June 2017: 20.8%).
- The total number of retail stores was 847, with the majority located in second- and third-tier cities and 33.0% were in shopping malls.

Encouraging results from e-commerce business

- Revenue from online shops increased 66.9% from the same period in 2017 to RMB 214.0 million.
- The number of membership and fan accounts on WeChat as of 30 June 2018 were 3,119,000 (30 June 2017: 1,944,000), of which 360,000 members (30 June 2017: 337,000) made purchases amounted to RMB 788.6 million (30 June 2017: RMB 681.6 million).

Improved overall inventory

- Up to 30 June 2018, sell-through rate of the Group’s 2017 collections was 81.5% and 2018 spring/summer collections was 56.0%.
- Average inventory turnover days improved to 200 days from 296 days for the same period in 2017.

Further enhanced financial robustness

- Cashflow from operating activities improved to net inflow of RMB48 million from net cash outflow during the first half of 2017.
- Average turnover days of trade and bills receivables improved to 91 days from 135 days for the first half of 2017.
- Cash and cash equivalents, pledged deposits, financial assets and time deposits with initial terms of over three months totaled RMB 994.9 million, up from RMB945.6 million on 31 December 2017.
- Net debt position on 30 June 2018 improved to RMB 25.3 million, down from RMB 153.5 million on 31 December 2017.

Continue to expand multi-brand strategy

- The Group adopts a multi-brand strategy, with brands including “Cabbeen Lifestyle”, “Cabbeen Urban” and 2AM.
- Started the brand reshaping exercise for the young brand 2AM and will position it as a mid-end, young and fashionable label.
- Plan to launch “Cabbeen Love”, a children’s wear brand, in the second half of 2018.
- Cabbeen Love is positioned as a mid-end brand targeting kids aged 3-12 years, extending the street and sports style of Cabbeen Lifestyle, mainly releasing the stylish and casual luxury series.

Commenting on the future prospects of Cabbeen, **Mr. Ziming Yang, Chairman of Cabbeen**, said: “There was positive momentum in consumption in the second half of 2017 and first quarter of 2018 and our same store sales growth improved over the period. Sales of our e-business was on an upward trend. But there are uncertainties in macroeconomic prospect which could be headwind to the consumption environment in China in the second half of 2018. Nevertheless, we believe the outlook for the second half of 2018 remains optimistic. We will continue to develop our business by adopting a multi-brand strategy. While we expect Cabbeen Lifestyle will continue to contribute majority of our revenue in the coming few years, we expect the business scale of Cabbeen Urban will grow at faster pace with improved brand awareness and increase in retail channels.

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About Cabbeen

Cabbeen is a leading fashion casual menswear company in China. It is principally engaged in the design of apparel, footwear and accessories, brand management and sales of fashion casual apparels. According to China Fashion Association, Cabbeen is a leading Chinese designer brand based on factors including retail revenue, the number of retail outlets and brand awareness.

For further inquiries, please contact:

Unicorn Financial Company Limited

Natalie Tam

Tel: (office hours) 3511 6241

Tel: (after office hours) 9306 7346

Email: natalietam@unicornfin.com