

[For Immediate Release]



**Cabbeen announces 2017 full-year results
Net Profit increased by 11.8% to reach RMB203.2 million**

**Consistent growth in online retail business
Good progress in consignment model transformation**

(9 February 2018, Hong Kong) Cabbeen Fashion Limited ("Cabbeen, HKSE stock code: 2030), one of the leading menswear designer brands in China, announces its results for the year ended 31 December 2017 (the "Year").

Results and Operation Highlights:

Financial highlights

- Revenue eased by 6.2% to RMB1,089.1 million
- Gross profit eased by 3.3% to RMB537.6 million with gross profit margin improved 1.5 percentage points to 49.4%
- Profit for the Year increased by 11.8% to RMB203.2 million with net profit margin improved by 3.0 percentage points to 18.7%
- Basic earnings per share for the Year were RMB0.2947
- Recommended payment of a final dividend of 8.5 HK cents per share
- Including the interim dividend of 6.0 HK cents per share already paid, dividend payout ratio for the Year was approximately 40%

Streamlined the supply chain

- Transforming retail outlets operated under a wholesale model to a consignment model since 2014
- Stores operating under the consignment model accounted for more than 60% of the total stores
- Enabled more flexible product development and inventory allocation
- Adjusted the advanced ordering system and enhanced cooperation with suppliers to significantly shortened the product development and production cycles

Rectified retail channel arrangements

- Strengthened cooperation with premium shopping malls and reduce proportion of street-level stores
- Overall same-store sales improved from a decline of 8.7% in 2016 to a slight increase of 1.5% in 2017

Invested more resources to develop online business

- Achieved strong sales growth from the online stores throughout 2017
- Retail revenue from online channels amounted to RMB398.1 million, representing a comparable increase of 56.2% from that for the year 2016.

- Increased investments in the logistics centre to enhance efficiency and precision of product deliveries

Implemented organizational reforms

- Streamlined organization structure, reduced operating costs and shortened development and production cycles of the products
- Achieved declines in the rate of management costs, resumption of growth in same-store sales and an improvement in net profit margin
- Resumed growth in sales revenue for the second half of 2017 on a year-on-year basis

Implemented more focused strategies for young customers

- Put forward a “Stay20 Stay30” slogan
- Adjusted product lines to make products more focused on new generation young consumers
- Achieved encouraging results with over 72% of the VIPs being millennials
- Sell-through rates of the products also increased

Commenting on the future prospects of Cabbeen, **Mr. Ziming Yang, Chairman of Cabbeen**, said: “The year 2017 marked the 20th anniversary of the establishment of Cabbeen. Looking forward, we will continue to commit to brand concepts of Chinese fashion designer and keep up with our multi-brand strategies and to provide a wide varieties of menswear products to our customers that represent better value for the money. We will also continue to enhance the efficiency of our supply chain, and seek balanced development of both online and offline business. We are confident that the Group is now better equipped to tap long-term growth opportunities in the apparel market in China.”

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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. The Group currently owns four menswear brands, namely “Cabbeen Lifestyle”, “Cabbeen Urban”, “Cabbeen Chic” and “2AM”

For further inquiries, please contact:

Unicorn Financial Company Limited

Natalie Tam/ Jenfer Cheng

Tel: (office hours) 3511 6241 / 3511 6240

Tel: (after office hours): 9306 7346

Email: natalietam@unicornfin.com