

**CABBEEN FASHION LTD:  
A VERY YOUNG COMPANY, MAKING ITS MARK  
IN THE CHINA FASHION WORLD**

By all appearances on scanning the company's Global Offering Prospectus, Cabbeen Fashion Ltd () (Code: 2030, Main Board, The Stock Exchange of Hongkong Ltd) has only, in the past few years, started to make inroads into the menswear market of the People's Republic of China (PRC).

It is only too obvious that the Company is riding on a tidal wave of success, today, but it would appear to be much too early to prognosticate as to its future in the industry that has competitors, monitoring Cabbeen Fashion's situation from behind every nook and cranny.

Cabbeen Fashion hit the Hongkong Special Administrative Region (HKSAR) of the PRC with its Global Offering Prospectus, last Wednesday (October 16), when it Offered 175 million, one-cent Shares at the Indicative Offer Price Per Share, ranging from \$HK2.25 to \$HK2.80.

Of the total number of Shares on Offer, 17.50 million Shares were designated as Hongkong Offer Shares and 157.50 million Shares were reserved for the 'Big Boys' via International Placings.

The Company hopes to raise about \$HK354.30 million, net of expenses, based on an Offer Price Per Share of \$HK2.53, that price, being the midpoint of the Indicative Offer Price Per Share.

The money, raised in this Global Offering will be utilised as follows:

- About \$HK141.70 million, being about 40 percent of the net proceeds of the **Initial Public Offering (IPO)**, *'to be used primarily for further enhancing our design, research and development capabilities, including acquiring land and constructing a new building in Guangzhou, Guangdong province for the planned expansion of our design, research and development center, and acquiring fixed assets and technological equipment both for our current use and for the new design, research and development center ...'*;
- About \$HK70.90 million, being about 20 percent of the net proceeds, to be used for promotional activities;
- About \$HK70.90 million, being about 20 percent of the net proceeds, *'to be used primarily for the establishment of additional self-operated retail outlets. We currently plan to establish five Cabbeen Urban branded retail outlets in 2013, and five Cabbeen Lifestyle branded and five Cabbeen Urban branded retail outlets in 2014, all of which are expected to be located in Guangdong province...'*;
- About \$HK35.40 million, being about 10 percent of the net proceeds, *'for enhancing and upgrading our ERP (Enterprise Resource Planning) systems'*; and,
- About \$HK35.40 million, being about 10 percent of the net proceeds, to be tipped into the Working Capital Account.

Not a penny of the net proceeds will be used to retire any bank debt, **TARGET** () notes, in spite of bank borrowings, as at August 31, 2013, standing at about 177.35 million renminbi (about \$HK224.53 million), not far off from the record level of 193.57 million renminbi (about \$HK245.06 million).

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