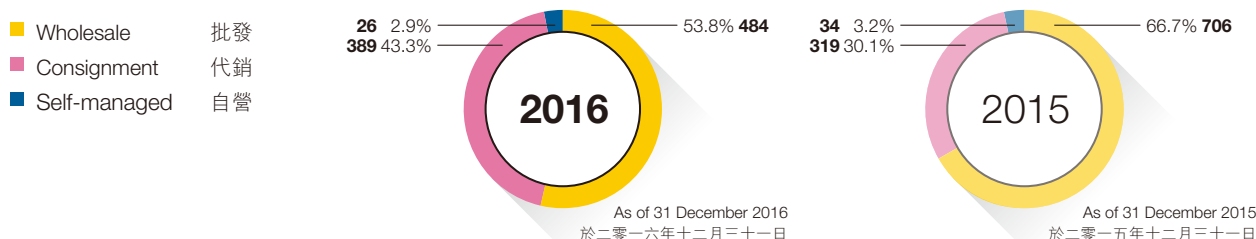


Management Discussion and Analysis (continued)

管理層討論及分析(續)

Retail outlets by operation models 按經營模式劃分的零售店舖



E-commerce

The rapid development of e-commerce and the emergence of new media as convenient sales channels in recent years changed the retail industry and consumers' shopping behavior. We have accordingly started to develop our own e-commerce sales channels since June 2015 to tap the market potentials. We operate online stores on popular e-commerce platforms including Tmall, JD.com, Wechat and our official website www.cabbeen.com. Retail sales revenue generated from our online platforms, including platforms operated by us and our distributor, increased by more than 43.8% from RMB172 million for the year ended 31 December 2015 to RMB247 million for the year ended 31 December 2016.

電子商貿

近幾年來，電子商貿業務的迅速發展及新媒體便捷銷售渠道的興起，改變了零售行業及消費者的購物習慣。因此，我們於二零一五年六月開始發展自身的電子商貿銷售渠道以發掘市場潛力。我們在天貓、京東商城及微信等熱門電子商貿平台及公司官網www.cabbeen.com經營網上店舖。自網上平台（包括我們及分銷商營運的平台）產生的零售收益由截至二零一五年十二月三十一日止年度的人民幣172百萬元增加超過43.8%至截至二零一六年十二月三十一日止年度的人民幣247百萬元。

Partial transformation to consignment model

We have been transforming retail outlets operated under the wholesale model to the consignment model. We believe the consignment model allows more efficient inventory flow among retail outlets in different markets by saving the lead time for inventory distribution among distributors in different locations, enabling the Group to have more control over the inventory mix to be produced and displayed in retail outlets, and hence shorten the time between product development, production planning and delivery of products to the points of sales. The Group believes these benefits will improve our supply chain efficiency, the inventory turnover and sell-through rate at distribution channel and in turn improve the Group's revenue, profits and sustain growth. We believe this could attract more distributors to join us for expanding our retail network in local markets as well.

部分轉型為代銷模式

我們正逐步將以批發模式經營的零售店舖向代銷模式轉型。我們相信代銷模式透過節省分銷商於不同市場地點的存貨分配的交付時間，更有效地促進不同市場零售店舖間的存貨流動，有助於本集團更好地掌控產品結構及於零售店舖展示的存貨組合，進而縮短產品開發、產品設計與向零售點交付產品之間的時間。本集團認為該等優勢將會提升我們的供應鏈效率、改善分銷渠道的存貨周轉率及售罄率，進一步提升本集團的收益、溢利及持續增長能力。我們相信，這亦可吸引更多分銷商加盟以擴大我們於本地市場的零售網絡。