



JOINT ANNOUNCEMENT

C&A AG sells its China operations to Zhongke Tongrong Private Equity

Sale to enable accelerated growth of C&A in the vast Chinese market in view of gradual reopening of cities in China

Zug, Switzerland, 20 August 2020 – The Board of C&A AG today announced that it has entered into an agreement on the sale of C&A (China) Company Limited (“C&A China”) to Beijing Zhongke Tongrong Private Equity Investment Fund Co., Ltd (“Zhongke Tongrong Private Equity”).

The sale is an opportunity to accelerate the growth of one of Europe’s most sustainable, reputable and enduring retail brands within the Chinese market, leveraging possibilities driven by urbanisation and mass market adoption of fashion trends.

Duan Xuefeng, Executive Director of Zhongke Tongrong Private Equity, said: “C&A is a valuable global brand and one of the world’s largest users of organic cotton. As cities in China are gradually reopening following the COVID-19 pandemic, we believe there is an exciting opportunity to drive further local expansion and bring sustainable business practices to scale, with the large addressable market for organic cotton and children’s clothing representing a new era of growth for C&A in China. We look forward to leveraging C&A’s expertise in this area.”

Allan Leighton, Chairman of C&A AG, said: “Like C&A in Brazil and in Mexico, we have always seen China as a key growth market for C&A. But we understood early on that local expertise with a strong network was critical to realising C&A’s full potential in this vast and complex market. This is truer than ever today, in the new COVID-19 reality our retail industry is navigating through. At the same time, it was always absolutely critical for us to find the right investor that believes in and is committed to the brand’s core values and sustainable promise. The Board and I are confident that Zhongke Tongrong Private Equity will successfully take the local business and the brand to its next level of growth in the Chinese market.”

Jim Dubow, Managing Director of C&A China, added: “The opportunity in China is vast, even in the aftermath of COVID-19. All C&A China employees look forward to working very closely with the new investors to accelerate the success of the C&A business and brand in China.”

The financial details around this transaction will not be disclosed.

The transaction specifically and exclusively pertains to C&A (China) Company Limited (西雅衣家 (中国) 商业有限公司) and does not include any other C&A AG or subsidiary or invested company in any other jurisdiction outside of China.

C&A was advised by Strategy613.

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About C&A

C&A is a leading fashion retail brand present in 21 countries worldwide. It welcomes and provides millions of visitors each day with good quality fashion at affordable prices for their entire family. In Europe, C&A has 1,400 stores. C&A AG is the parent company of C&A Europe and C&A China. For more information, see <http://www.c-a.com>.

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