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C.banner International Holdings Limited

千百度國際控股有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 1028)

BUSINESS UPDATE OF THE GROUP FOR THE SECOND QUARTER OF 2013 AND PRELIMINARY PROFIT REVIEW FOR THE FIRST HALF OF 2013

The Board is pleased to provide the business development update of the Group for the second quarter of 2013.

The Board also wishes to announce the preliminary review of the profit of the Group for the six months ended 30 June 2013.

This announcement is made pursuant to rule 13.09 of the Listing Rules and Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

The board of directors (the “**Board**”) of C.banner International Holdings Limited (the “**Company**”) is pleased to provide the business development update of the Company and its subsidiaries (together, the “**Group**”) for the second quarter of 2013. This announcement is made pursuant to rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

DISTRIBUTION AND RETAIL NETWORK

As at 30 June 2013, the Group’s distribution and retail network consisted of 2,195 outlets, with an increase of 29 outlets as compared with the 2,166 outlets as at 31 December 2012, located in 31 provinces, autonomous regions and municipalities in the People’s Republic of China.

	As at 31 December 2012	As at 30 June 2013	Net addition
Proprietary outlets	1,556	1,615	59
Third party outlets	610	580	-30
Total:	2,166	2,195	29

PERIOD-ON-PERIOD SAME-STORE SALES GROWTH RATE

For the three months ended 30 June 2013, the Group's same-store sales growth rate declined approximately 9.6% from the same period in 2012. For the six months ended 30 June 2013, the Group's same-store sales growth rate declined approximately 5.1% from the same period in 2012.

Shareholders of the Company and potential investors should note that the above information is operational statistics and has not been audited or reviewed by the Company's auditor.

PRELIMINARY PROFIT REVIEW FOR THE FIRST HALF OF 2013

Based on the unaudited consolidated management accounts of the Group for the six months ended 30 June 2013 and the information currently available, the Board wishes to inform the shareholders of the Company and potential investors that profit attributable to shareholders for the six months ended 30 June 2013 is expected to have a decrease of approximately 10% to 15% compared with the same period last year.

The above information is only based on the preliminary assessment by the Board based on the information currently available, including the unaudited consolidated management accounts of the Group for the six months ended 30 June 2013 which have not been audited or reviewed by the auditors of the Company.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.

By order of the Board
C.banner International Holdings Limited
Chen Yixi
Chairman

PRC, 12 July 2013

As at the date of this announcement, the executive directors of the Company are Mr. CHEN Yixi, Mr. LI Wei, Mr. HUO Li and Mr. XU Tingyu; the non-executive directors of the Company are Mr. MIAO Bingwen, Mr. HO Chi Kit (with Mr. LI Xinhui as his alternate director) and Mr. WU Guangze; and the independent non-executive directors of the Company are Mr. KWONG Wai Sun Wilson, Mr. XU Chengming, Mr. LI Xindan and Mr. ZHANG Zhiyong.