



2016 Investor Update

千百度国际控股有限公司
C. banner International Holdings Ltd.
(Stock code on HKEx: 1028)

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1. Company Overview

C.banner at a Glance

千百度国际控股有限公司
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千百度国际控股有限公司

C. banner International Holdings Ltd.

Leading International Retail Platform

Leading Retailer of
Mid-to-Premium Women's Footwear in China

Best-Known Retailer of Toys⁽¹⁾
in the World

% of 2015
Revenue

96.4%

3.6%⁽²⁾

(Only reflects the revenue of Hamleys from the completion of the acquisition to Dec 31, 2015)

Own / Group
Private
Brands



Licensed
Brands



Distribution
Network

- 1,732 proprietary outlets and 467 third-party outlets in China



- Stores in 21 countries with 18 proprietary stores in the UK / Ireland / Nordics and 57 franchise stores internationally



(1): C.banner completed the acquisition of Hamleys on November 25, 2015

(2): Assuming that the acquisition had been completed on January 1, 2015, revenue from Hamleys would be RMB540 million, about 15.6% of the Group's total revenue in 2015

Company History

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The Finest Toys in the World

Year	Event
1995	▪ Establishment of Mayflower and production site and introduction of 1st self-developed brand: C.banner
2003	▪ Listed on the Singapore Stock Exchange
2005	▪ C.banner was awarded as "China Famous Brands"
2010	▪ Delisting from the Singapore Stock Exchange
2011	▪ Listed on the HKEx (Stock Code: 1028)
2013	▪ Acquired trademarks of internationally recognized fashion brands: BADGLEY MISCHKA and MARK & JAMES and became a key distributor for ASH, JC and UNITED NUDE
2015	▪ Acquired Hamleys Group, one of the world's best-known retailers of toys
2016	▪ Discussed a possible business cooperation with House of Fraser






Year	Event
1760	▪ William Hamley opened his first toy store Noah's Ark and soon became a London landmark
1881	▪ Hamleys opened its flagship store on Regent Street
1955	▪ Queen Elizabeth II gave the company a second royal warrant as a "toys and sports merchant"
2003	▪ Hamleys was bought by the Baugur Group, an Icelandic investment company, and was taken over by the Icelandic bank Landsbanki
2008	▪ First flagship store outside Europe's opened in Amman, Jordan
2010	▪ First flagship store in Asia opened in Mumbai, India, the same year Hamleys celebrated its 250th anniversary
2012	▪ Acquired by Groupe Ludendo, a toy retailer based in France
2015	▪ Acquired by 「C.banner」
2016	▪ China's first flagship store is expected to be opened in Nanjing in mid-September




Investment Highlights



C.banner will strengthen its traditional brand offerings and explore further acquisitions of new brands through the brand + retail dual business model, in order to transform into an innovative diversified international retailer

Financial Performance Overview

For the Year (In RMB millions)	2015	2014	YoY Growth	2013
Revenue	3,046 ⁽¹⁾	2,821	 8.0%	2,430
Gross Profit	1,862	1,788	 4.2%	1,508
EBIT	374	363	 3.1%	363
Net Profit	258 ⁽²⁾	242	 6.3%	231
Basic EPS/(RMB cents)	12.64	12.11	 4.4%	11.57

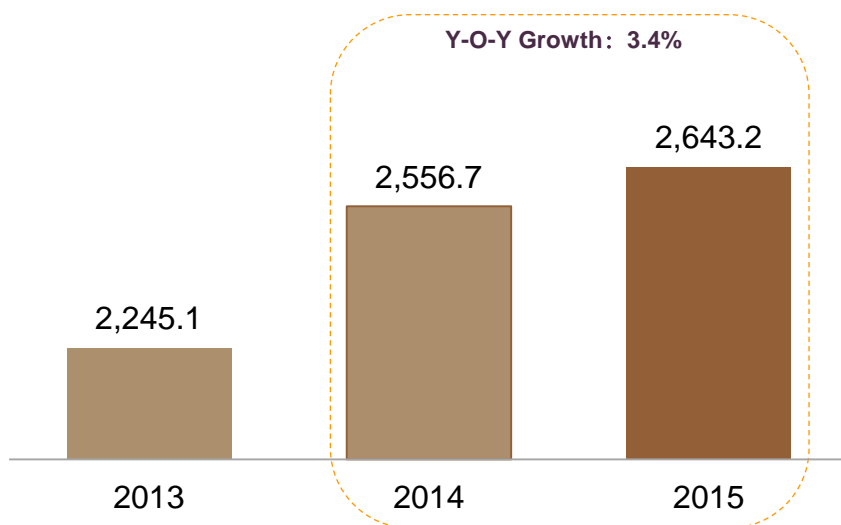
Key Margins	2015	2014	YoY Decrease	2013
Gross Margin	61.1%	63.4%	 2.3%	62.0%
EBIT Margin	12.3%	12.9%	 0.6%	14.9%
Net Margin	8.5%	8.6%	 0.1%	9.5%

(1): Include revenue of toys business from Hamleys, which was RMB111.1 million in 2015

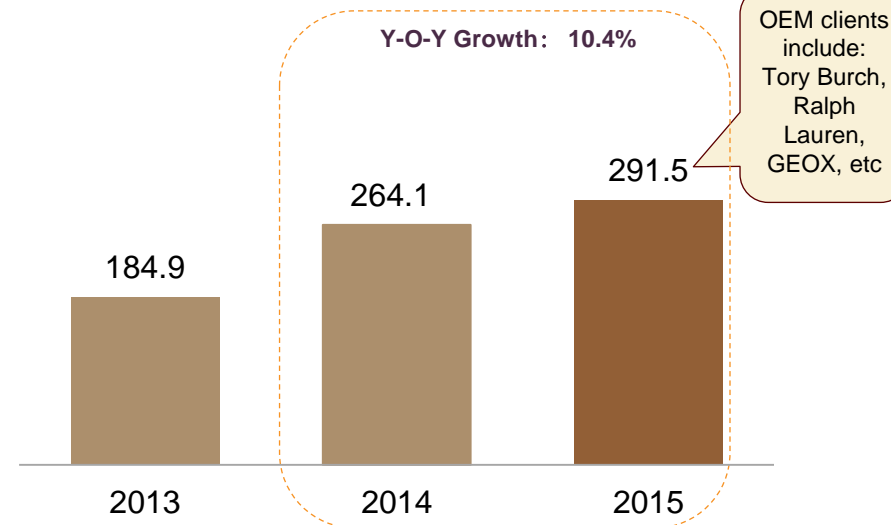
(2): Include net profit of toys business from Hamleys, which was RMB20.1 million in 2015

Steady Revenue Growth

Retail & Wholesale Revenue (In RMB Mn)



OEM Revenue (In RMB Mn)



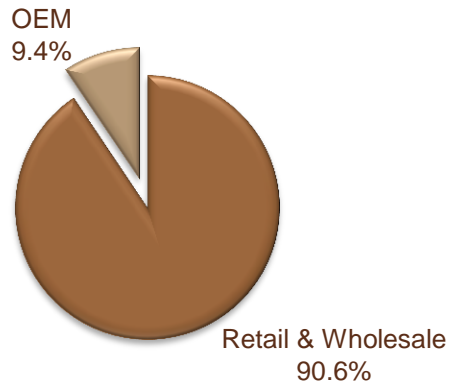
SSSG	2013	2014	1Q2015	2Q2015	3Q2015	4Q2015	2015
	-6.9%	+0.8%	+7.8%	+1.6%	-6.3%	-9.1%	-0.7%

Both retail and wholesale revenue and OEM revenue registered growth of 3.4% and 10.4% in 2015, respectively. SSSG remains stable.

Revenue Breakdown by Business and Retail Revenue

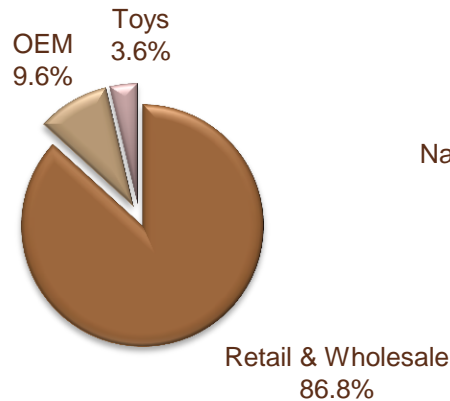
Revenue Mix

2014



2014 Revenue:
RMB2.82 bn

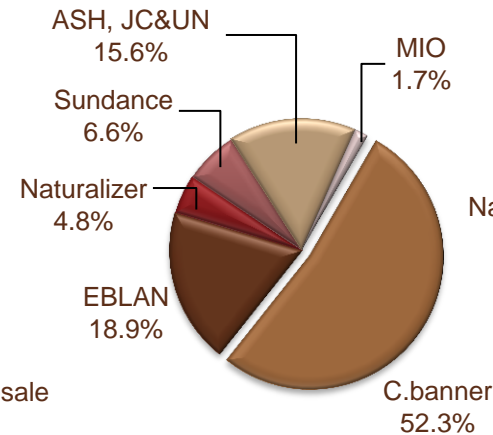
2015



2015 Revenue:
RMB3.05 bn

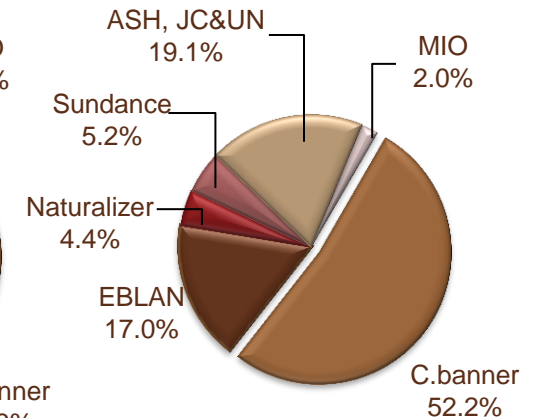
Retail Revenue Breakdown

2014



2014 Retail & Wholesale
Revenue: RMB2.56 bn

2015

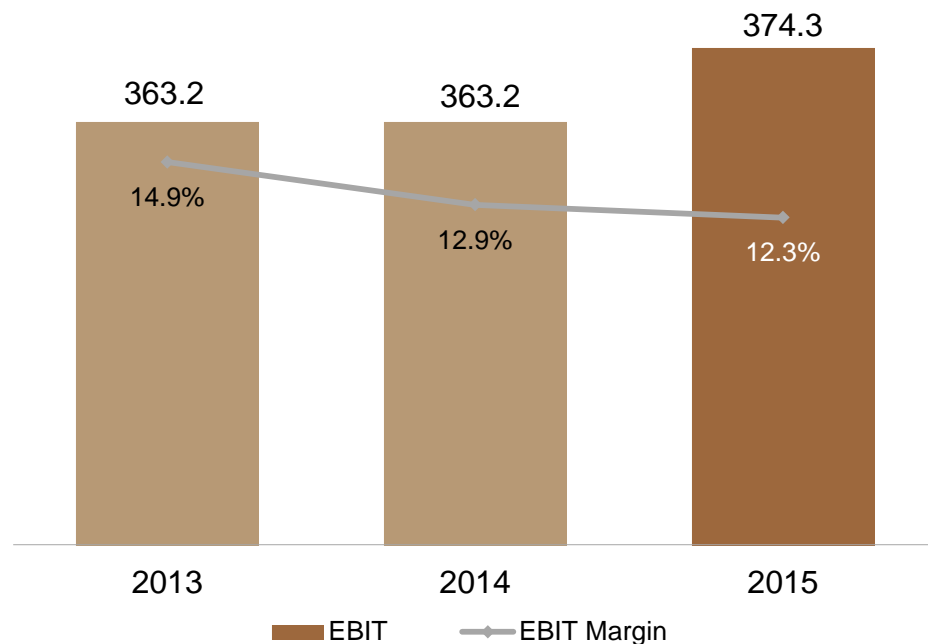


2015 Retail & Wholesale
Revenue: RMB2.64 bn

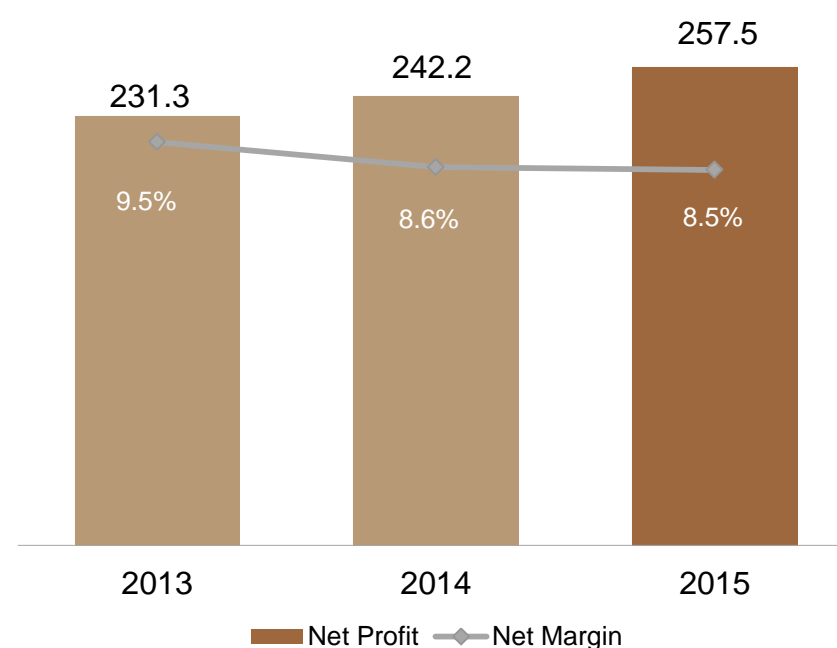
Retail business is the Company's core business and accounts for 90% of total revenue. Within its brand portfolio, C.banner is the Company's core brand

Long-term Stable Profitability

EBIT and EBIT Margin (RMB mn)



Net Profit and Net Margin (RMB mn)



The Company displays long-term stable profitability with EBIT margin and net profit margin stabilizing at 12.3% and 8.5% in 2015 respectively

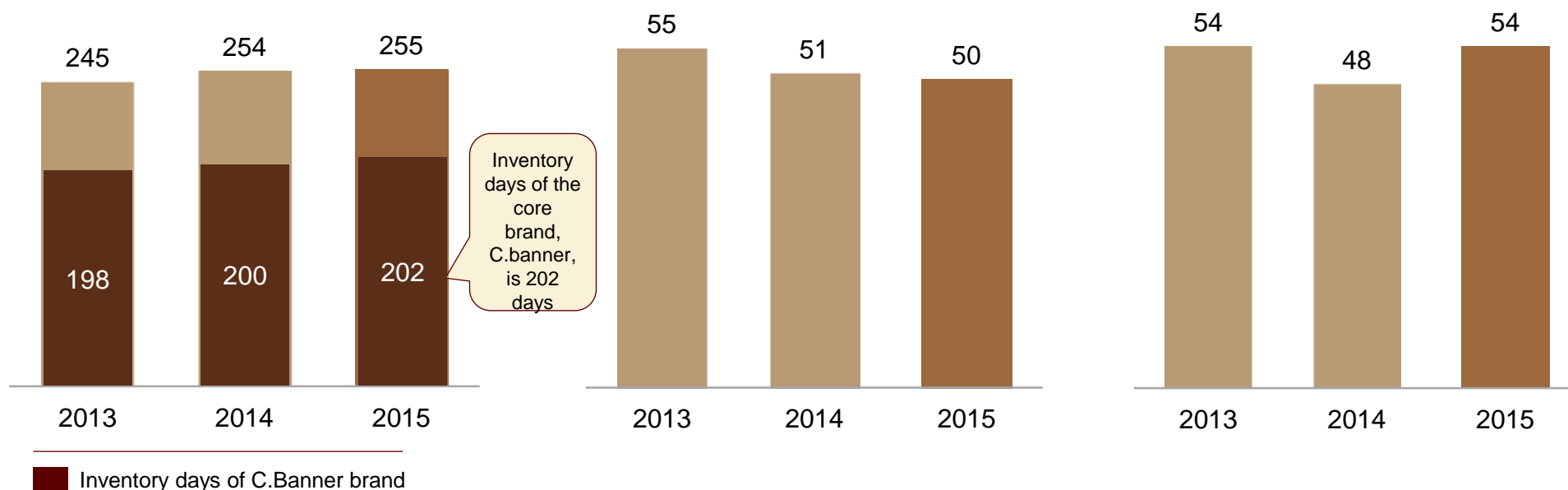
Source: Company FY2015 results announcement; Includes the consolidation of the proportionate EBIT and net profit of Hamleys post completion of the acquisition in the Company's FY2015 results

Effective Working Capital Management

Inventory Days

Trade Receivable Days

Trade Payable Days



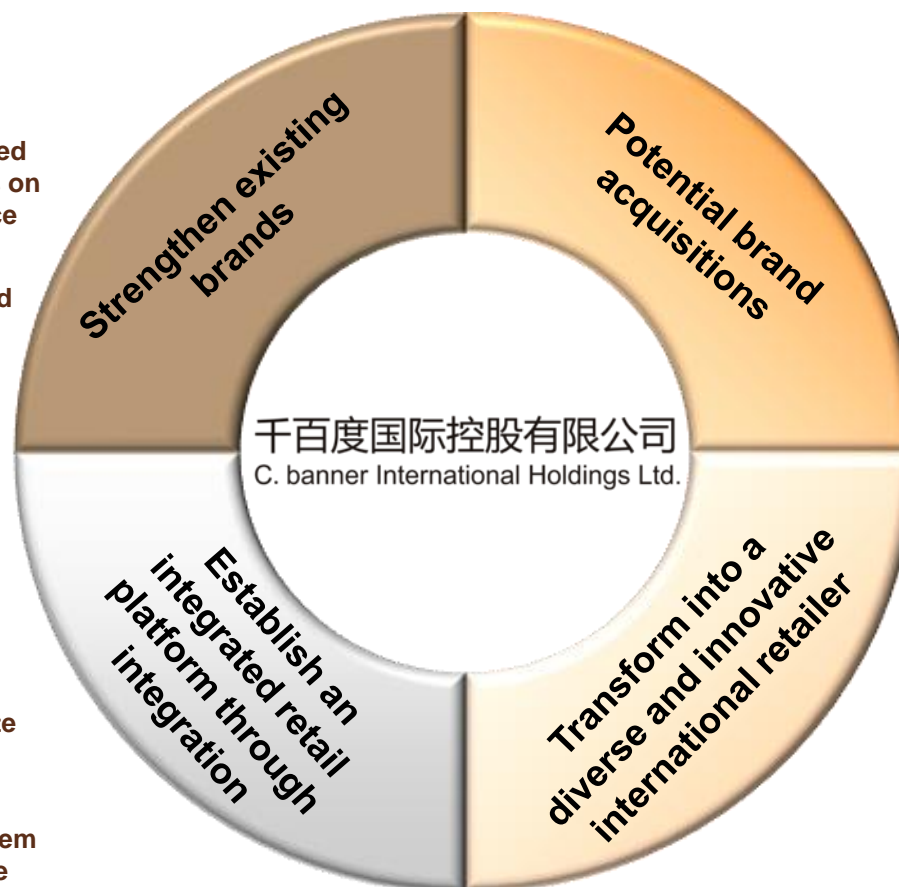
The Company displays effective working capital management with stable working capital



2. Future Strategy

Key Strategies for Future Development

- Professional designing team to highlight the features of each brand
- Promote interaction with customers through online/offline platforms
- Strengthen marketing/promotion capabilities
- Develop VIP customized services based on customer preferences with a focus on improving overall shopping experience
- Offer high-end customized 3D feet scanning services in offline stores and direct clients from offline to online to achieve online/offline integration
- All products and brands can benefit from the resources on the integrated platform, which will boost the Company's profitability
- Through back-office integration, to reduce IT expenses, improve corporate efficiency and lower overall operating costs
- Through M&As and supply chain system integration, to realize synergies on the platform and improve overall operational capabilities



- Acquire high-end/luxury brands and products, particularly in new businesses and products, so as to expand into overseas markets with the global brand strategy
- Through strategic cooperation and assets integration, to increase operational synergies within the Group and strengthen its competitive strengths
- Possess a diversified product portfolio and provide elegant and luxury lifestyle products to the customers
- Offer innovative retail and entertainment experience to high-end clients
- Various retail store models

Hamleys' Core Strengths and Future Development Strategies

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Core Strengths

Well-known global toy retailer with a history of over 250 years and a prestigious brand name

Flagship store on Regent Street in London is an iconic property and one of top 10 tourist attractions in London, distinguishing itself from other toy retailers

Unique market positioning characterized by high-quality products and shopping experience

Management team with over 20 years of experience



Future Development Strategies

- Expects to enter China in mid-September this year with the first flagship store in Nanjing. The store will provide diversified products/services under an innovative concept, including children's entertainment, education, culture and themed restaurants
- By integrating C. Banner's retail expertise in China and long-term cooperation with franchise stores, the Company will rapidly expand Hamleys' business in China through the shared service platform
- With its international brand, Hamleys will attract large domestic department stores and shopping malls to cooperate with and build Hamleys-themed shopping mall; it aims to expand into tier-1 cities in the future
- The second-child policy in China will significantly stimulate consumption demand for products and services for children, and the toy market will benefit significantly
- Based on the management's experience of Hamleys in the international retail market, it will continue to expand through low-cost international franchise stores, which presents a significant opportunity for development

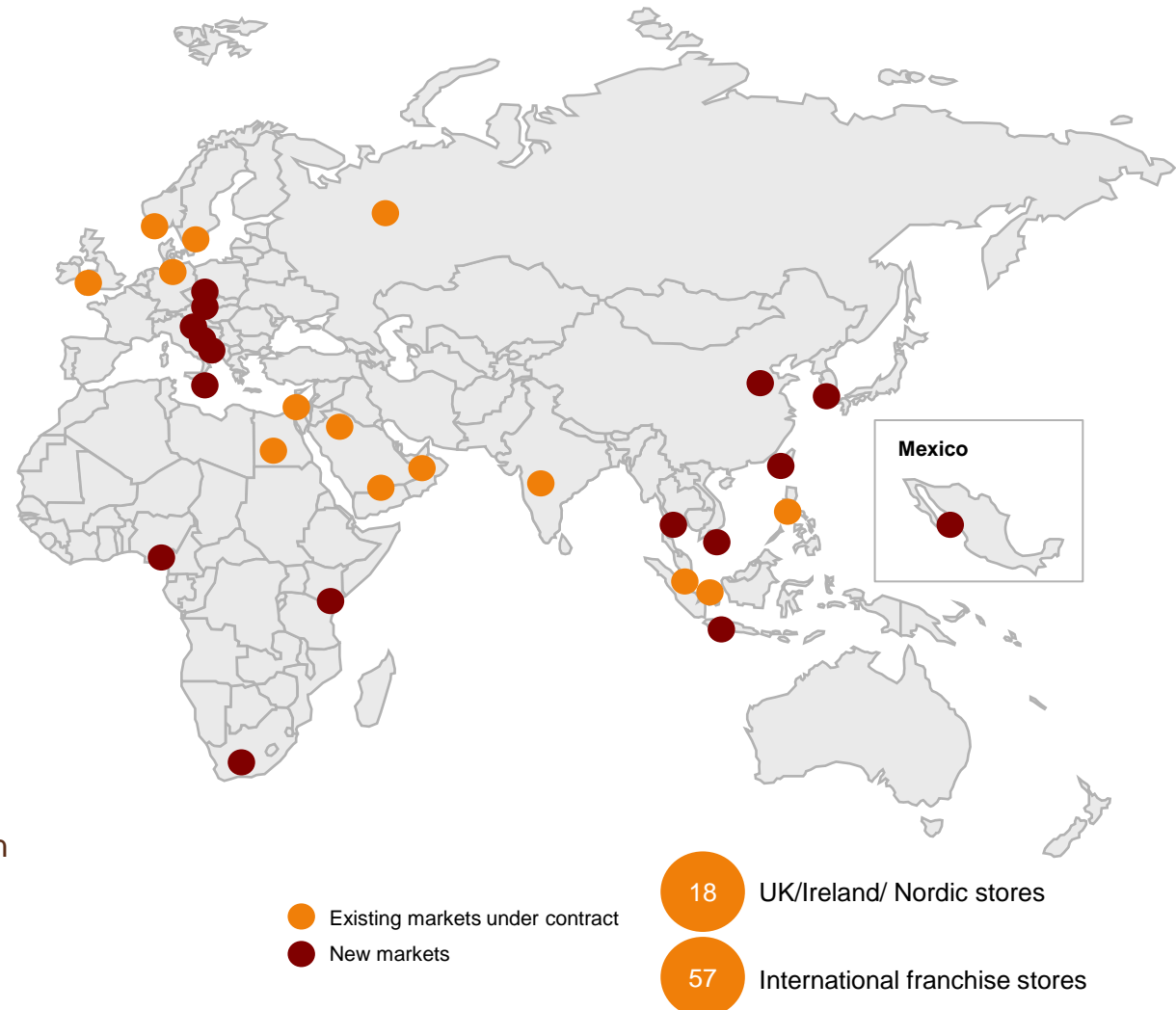


Hamleys' International Expansion Strategy

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International Expansion Strategy Overview

- Hamleys has maintained long-term growth momentum in the international market
 - Number of stores in 2008 till now: 2 to 57
- Entry and expansion into key markets is a part of Hamleys' core strategies: Hamleys has entered successfully into Europe, the Middle East and Asian markets with its franchise model
- Strict standards and selection of franchise partners ensure the rapid and efficient expansion into the new markets, which further strengthens its global distribution network
- As franchise stores require no capital expenditure from Hamleys, it will not bear any costs during its expansion process
- Property owners benefit from the high customer footfall attracted by Hamleys and would be willing to offer Hamleys with certain incentives (e.g. rent-free period)



Source: Company data



3. Possible Cooperation with House of Fraser

Introduction to House of Fraser

A leading, national premium department store group in the UK and Ireland, as measured by number of stores and geographical reach, and has a competitive premium and multi-branded business across multiple sales channels, with a focus on the clothing and beauty section

Business Overview

- House of Fraser is a leading national British department store brand with a long history and a Royal Warrant, and is principally engaged in the operation of premium department stores in the UK and Ireland
- House of Fraser brand is differentiated by its 167-year history in the UK retail market, its wide geographic reach (across the UK and online), its broad range of high quality premium branded merchandise offered at competitive prices, its increasing exclusive House Brand offering and its commitment to providing an imaginative, exciting and relevant shopping experience to our customers
- The online sales platform which has been rapidly developing in recent years will continue to provide strong sales support to the Company. Its unique digital retailing model and the “Buy and Collect” service is also a highlight and selling point
- 2016 gross transaction value⁽¹⁾ of House of Fraser is £1.3 billion, turnover is £826.6 million and adjusted EBITDA⁽²⁾ is £66.3 million



Localized Product Offering Based on Consumer Requirement and Demand



Strong Flexibility & Adaptability to Provide a Balanced Mix of House, Own-Bought and Concession brands




Keen Understanding of Demographics in the Locations We Operate & Customizing an Appropriate Product Mix to Meet Consumer Demand


(1) Gross Transaction Value is defined as the fair value of transactions receivable for goods and services supplied to customers net of value added tax, discounts and estimated returns and includes the full transaction value of sales made where Highland Group acts as agent (including sales from concession brand partners)


(2) Adjusted EBITDA is defined as profit before exceptional items, discontinued operations, interest, taxes, depreciation and amortization of intangible assets


Possible Areas of Cooperation with House of Fraser

 Allow the Company to leverage on House of Fraser's retail platform to enhance the distribution potential of the Company and further increase and develop the Company's brand offerings across different retail formats and multiple channels

 Enhance the competitive edge of the Company for the affluent consumer with a broader brand portfolio and larger distribution network

 Share significant know-how in markets which the Company and the House of Fraser are already in so as to identify opportunities for strategic expansion of new retails outlets and department stores

 Capitalize on potential brand acquisitions and licensing opportunities as well as to form strategic alliances and/or joint ventures with other retail brand companies, particularly in segments or products where the Company currently does not have any offerings

 Achieve greater bargaining power by jointly negotiating with new and existing suppliers and landlords

 Improve IT spending and corporate functions efficiencies through cost-saving initiatives including shared services and back offices combinations

Achieve Greater Bargaining Power and Competitive Advantages Together as a Group

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Negotiating with potential brand partners, suppliers and/or landlord will allow the Group to have a greater bargaining power and enhance its attractiveness as a partner

Proposed Group Members

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Second Largest Retailer of Mid-to-Premium Women's Formal & Casual Footwear in China



One of the Largest Toy Stores in the World with Over 250 Years of History



HOUSE OF FRASER

SINCE 1849

Leading National Premium Department Store Group in the UK and Ireland

Competitive Strengths

Strong Heritage and Leading Market Position

Large Brand Portfolio and Product Offerings

Existing Large Customer Base & Distribution Network

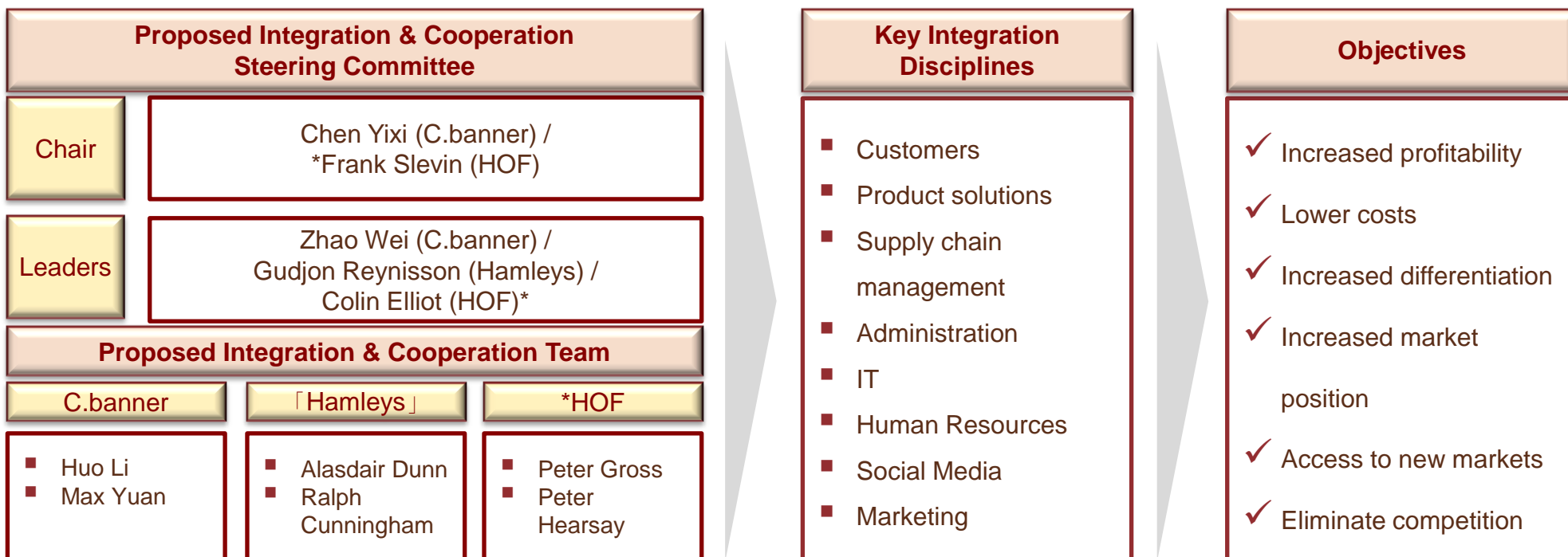
Strong Management Team with In-depth Local Market Knowledge and International Expansion Experience

Innovative Business Model from Integration of Hamleys' Unique Shopping Experience and Product Offerings from the Company and House of Fraser

- **First flagship store of Hamleys and House of Fraser expected to open in Nanjing in mid-Sep 2016**
- **Integration of products from C. Banner and House of Fraser and Hamleys' unique shopping experience**

Executing a Disciplined Integration and Cooperation Strategy

- A proposed Integration & Cooperation Steering Committee comprising of experienced professionals from C.banner, Hamleys and House of Fraser, each having 15~20 years of experience in their respective expertise
- The proposed Integration & Cooperation Team will be core to our multi-product retail platform, mainly focusing on eliminating overlapping resources, increasing profitability, lowering costs and accessing new markets for our existing business units, and exploring potential acquisitions in the future



* Proposed participation from HOF

Investment Highlights

2nd largest retailer of women's mid-to-premium business and casual footwear in China

Broad customer base and diversified product portfolio within the mid-to-premium business and casual footwear segment



Establish a new shopping center by leveraging the uniqueness of Hamleys brand and its experiential operation



The Finest Toys in the World

Innovative brand + retail dual business model

C.banner will strengthen its traditional brand offerings and explore further acquisitions of new brands through the brand + retail dual business model, in order to transform into an innovative diversified international retailer














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Appendix – Other Information

C. Banner's Multi-brand Portfolio










Multiple Brands Targeting A Broad Customer Base in the Mid-to-Premium Formal and Casual Segment

	Time Launched	Customer Base (Age)	Spring & Summer Price Range (RMB)	Positioning	Highlight	
 C.banner 千百度	1996	20-40	750-1,000	<ul style="list-style-type: none"> Fashion/Business /Business Casual 	 4th largest brand in the mid-to-premium formal and casual segment (1)	
 EBLAN 伊伴	2004	20-35	700 - 950	<ul style="list-style-type: none"> Fashion/Business/ Business Casual 	 13% CAGR of retail revenue from 2008 to 2015	
 naturalizer	2H 2007	25-44	900-1,400	<ul style="list-style-type: none"> Casual /Comfortable 	 A leading women's footwear brand in the US	
 sundance	August 2011	18-35	650 - 900	<ul style="list-style-type: none"> Young/Casual 	136 retail stores up at end of 2015	
 MIO	January 2012	22-28	800-1,200	<ul style="list-style-type: none"> Fashion/Business/ Business Casual 	27% YoY growth of retail revenue for 2015	

Note: (1) According to Euromonitor, based on 2012 retail revenue

C. Banner's Multi-brand Portfolio (Cont'd)

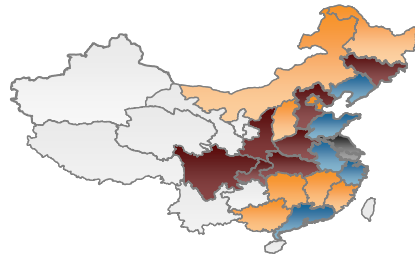
Multiple Brands Targeting A Broad Customer Base in the Mid-to-Premium Formal and Casual Segment

	Time Launched	Customer Base (Age)	Spring & Summer Price Range (RMB)	Positioning		
	2013	18-35	1,500-2,800	■ Fashion/Trends etter/Casual		
 JC COLLEZIONE	2013	22-32	800 – 2,500	■ Concise/Sexy/ Delicate/Taste		
 UN UNITED NUDE™	2013	22-32	1,000-3,000	■ Innovation/Unique/ Irreplaceable		

Integration of Online/Offline Distribution Network

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Offline distribution network



- 0-20 retail stores
- 20-40 retail stores
- 40-60 retail stores
- 60-200 retail stores
- 200+ retail stores

Self-operated stores

- Located in tier-1 to tier-3 cities
 - Target customers with strong consumption power
- Focus on department stores
 - Mostly located in department stores

3rd party stores

- Located in other cities
 - Expand in a cost-efficient manner
- Set up by licensed distributors
 - 250 licensed distributors

867	◀ C.banner 千百度 ▶	309
348	◀ EBLAN 伊伴 ▶	61
130	◀ sundance ▶	6
55	◀ MIO ▶	83
332	◀ Sub-licensed brands ▶	8
1,732	Total	467

Online retail platform



- Rapid expansion of the online retail platform. Online sales now account for 5% of total revenue and the proportion is expected to increase steadily in the future
- Current online channels include flagship stores on 3rd party platforms (T-mall and JD.com) and WeChat stores; will expand into more diversified channels going forward

The Company plans to offer high-end customized 3D feet scanning services in 100 offline stores and direct clients from offline to online to achieve online/offline integration

Customer-oriented Research and Development

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Strategically Located R&D Center with Strong Design Capacity



✓ Located in Foshan, next to Guangzhou, the hub of China's footwear industry

✓ Total GFA of approx. 15,000 m²

✓ Designs 2,000-2,400 SKUs per year for each of our self-developed brands

✓ Design managers for our self-developed brands, on average, have over 10 years footwear design experience

Systematic Research, Design and Development Capabilities

Market Research

- Regularly attend trade exhibitions and conduct field studies in Hong Kong and Europe; and collect market information from professional websites and publications
- Customer focused designs targeting at a broad customer base with differentiated products

Product Design

- Decide on seasonal themes including styles, colors, materials and other features; Create sample shoes to be tried on by models to test for proper fitting and wearing comfort
- Our creative and R&D directors collaborate together to launch a series of shoe designs closely tracking international fashion trends

Product Development

- Determine the manufacturing process and cost
- Further discussions to rectify any problems discovered in the manufacturing process
- Determine quantities of subsequent batches based on consumer response and weekly sales records

C. Banner's Experienced and Dedicated Management Team

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Name	Title	Industry Experience	Experiences
Executive Directors			
CHEN Yixi	Chairman and Co-founder	>20 yrs	<ul style="list-style-type: none"> Outstanding Entrepreneur of Non-State-owned Companies Vice Chairman of Nanjing Federation of Industry and Commerce Vice President of Nanjing Enterprise Directors Association B.A. in News Propagation, Nanjing Normal University MBA from Cheung Kong Graduate School of Business Responsible for charting the business strategy of the Group
ZHAO Wei	President	>20 yrs	<ul style="list-style-type: none"> B.S. from Jilin Agricultural University MBA from Singapore Nanyang Technological University Responsible for overseeing the Group's overall operation
HUO Li	VP	>15 yrs	<ul style="list-style-type: none"> Over 14 years of extensive experience in banking B.A. in Economics, Fudan University Responsible for evaluating opportunities of, & formatting plans for, mergers and acquisitions as well as international cooperation of the Group
XU Tingyu	CFO	>15 yrs	<ul style="list-style-type: none"> Over 13 years of extensive experience in banking Non-practicing member of the PRC Certified Public Accountants Association M.S. in Accountancy, Nanjing University Responsible for the financial affairs of the Group



Rich experiences of the executive directors



One of the leaders in the women's footwear industry



Inspirational leadership with clear vision and strategy



Extensive industry and operating experience and knowledge



Proven capability in operation and business development

Hamleys' Multi-brand Portfolio

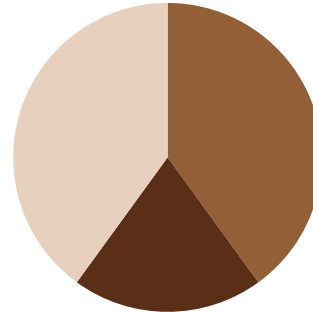
Targeting a broad range of age groups and customer bases across geographies

Hamleys supplied product ranges

- Hamleys own brands
- Private label ranges
- New concepts
- Exclusive supplied lines



Hamleys supplied product ranges
40%



International leading brands/licenses
40%

20% Local products E.g. books, sweets

Local products



International leading brands/licenses



Hamleys' Experienced and Dedicated Management Team

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Hamleys Management Team

Name	Title	Experiences
Gudjon Reynisson	Chief Executive Officer (2008-present)	<ul style="list-style-type: none">Over 12 years experience in retail as a CEO and a further 10 years in other commercial rolesAt Hamleys, he has led a very successful turn around and growth strategy during one of the worst recessions of recent times. He re-invigorated and re-focused Hamleys and has turned it from being UK-centric to an international group with a strong team focused on worldwide expansion. Since 2008, EBITDA has more than tripled and global sales have grown by over 100%Previously CEO of 10-11 convenience store chain in Iceland for 6 years. He led a brand repositioning and growth strategy based turnaround, tripling profits
Alasdair Dunn	Chief Financial Officer and Deputy CEO (2005-present)	<ul style="list-style-type: none">19 years experience in retail in various financial and strategic rolesAt Hamleys, his remit now covers international and UK business development, strategic development, finance, IT and legal. Alongside Mr. Reynisson, he has been instrumental in re-shaping Hamleys' strategy, leading UK and international expansion and delivering EBITDA growth of over 25% per annumPreviously Director of Retail Finance at B&Q, leading the financial management of 320 stores with a turnover of £4bn. Prior to this role, he held various other senior finance and strategy roles at B&Q in the areas of buying, supply chain, sourcing and retail operations

Financial Performance Summary

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	C.banner	Hamleys	House of Fraser
	Calendar year as of Dec 31, 2015		Fiscal year as of Jan 30, 2016
(In RMB mn)	Incl. Hamleys performance	Stand-alone performance	Stand-alone performance
Revenue	3,045.8	541.7	7,572.9
Gross profit	1,862.4	N/A	4,435.1
EBIT	374.3	N/A	251.0
EBITDA	426.4 ⁽¹⁾	N/A	607.4 ⁽²⁾
Net profit	255.5	9.6	28.4
Total asset	3,389.2	1,368.7	8,450.6
Net asset	1,909.3	N/A	673.4

Source: Data of C.banner and Hamleys from the 2015 annual results announcement of C.banner; data of House of Fraser from the quarterly report published in 2016

(1) Excl. interest expense, tax expense, depreciation and amortization

(2) Adjusted EBITDA: Excl. non-recurring items and ceased businesses

Exchange rate (BGDP/RMB): 9.1615 (as of Apr 14, 2016)