



Press Release
For Immediate Release

C.banner International Holdings Limited **千百度國際控股有限公司**

Possible Strategic Cooperation between **C.banner and Nanjing Xinjiekou**

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Achieve Greater Synergy ***Establish a Global Premium Retail Platform***

(18 April 2016, Hong Kong) **C.banner International Holdings Limited**, (“**C.banner**” or the “Company”, together with its subsidiaries, the “Group”, stock code: 1028.HK), the leading international integrated retailer and the second largest retailer of mid-to-premium women’s formal and leisure footwear in the PRC, is pleased to announce that the Company and Nanjing Xinjiekou Department Store Co., Ltd. (600682.SH) (“Nanjing Xinjiekou”), a leading chain of luxury Chinese department stores focused on fashion and accessories, are in discussions to explore business cooperation opportunities in relation to Highland Group Holdings Limited (“Highland Group”), principally engaged in the operation of the iconic and one of the leading national department store brands “House of Fraser” in the UK and Ireland. The possible strategic cooperation may eventually lead to an acquisition by the Company of an interest in Highland Group from Nanjing Xinjiekou.

As the leading international integrated retailer and a leading retailer of mid-to-premium women’s formal and casual footwear in the PRC, C.banner considers a strong brand as an exceptionally powerful resource in delivering a competitive advantage in terms of the marketing and sales of product, which is clearly evidenced by its self-developed brands such as C.banner, EBLAN, sundance and MIO. **Mr. Chen Yixi, Chairman of C.banner** remarked, “We are glad to be in discussions on a possible strategic cooperation with Nanjing Xinjiekou, which owns and operates the iconic and leading national department store brand House of Fraser. This is a continuation of the implementation of the Company’s global branding strategy following our recent acquisition of Hamleys (“**Hamleys**”), one of the world’s best-known retailers of toys. We believe this could further develop and diversify our business by leveraging on the brand recognition effect of world-renowned brands and achieving greater synergy among them.”

The Company is planning to open the first Hamleys’ flagship store in Nanjing in mid-September 2016 and is in discussions with House of Fraser Group Limited, a subsidiary of Nanjing Xinjiekou, to explore a cooperation arrangement with Oriental Fraser Department Store, which will provide a site for the Company to operate the first Hamleys’ flagship store in the central business district in Nanjing and provide centralized management services in

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return for a concession fee. Hamleys' first flagship store will serve as a template for its future store expansions in the PRC as the Company seeks to replicate and introduce the unique Hamleys in-store experience through interactive playtime, events and special demonstrations to its customers and broaden its product offerings for children and their families, catering to the PRC's latest two-child policy. The strategic cooperation will allow the Company to leverage both its position and experience in the retail industry as well as the addition of the Hamleys brand to actively explore areas of cooperation among the respective existing businesses of Highland Group and of the Company, with a view to create a global premium retail platform, which could facilitate Company's integration of online and offline channels and drive revenue.

The Company will also look to establish in-depth cooperation with Highland Group to leverage on its 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; 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 offer; share significant know-how in markets which the Company and the Highland Group are already in so as to identify opportunities for strategic expansion of new retail outlets and department stores; achieve greater bargaining power by jointly negotiating with new and existing suppliers and landlords and improve IT spending and corporate functions efficiencies through cost-saving initiatives including shared services and back office combinations, which in turn will enhance the Company's competitive strengths and create new areas of growth for the Company's business operations.

Mr. Chen concluded, "Looking ahead, C.banner will be able to further diversify its revenue sources, expand on its brand offerings and awareness and bring synergistic effects to both our business and the business operations of Highland Group under the possible strategic cooperation. Our global branding strategy will continue to consolidate and shape C.banner as an international integrated retailer with a multi-brand portfolio."

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About C.banner International Holdings Limited

C.banner International Holdings Limited is a leading international integrated retailer and the second largest retailer of mid-to-premium women's formal and casual footwear in China, and is engaged in the manufacturing and sales of women's footwear of various designs. The Group manages four self-developed brands, namely "C.banner", "EBLAN", "sundance" and "MIO", as well as licensed brand "naturalizer", and distributes "ASH", "JC" and "United Nude" brand products, through an extensive distribution and retail network in mainland China. C.banner's self-developed brands and licensed brands products are mainly distributed through department stores and independent retail stores in different cities, ranging from first-tier to third-tier cities in China. Furthermore, the Company also acts as an OEM or ODM manufacturer for international shoes companies dealing in export markets. In 2015, Company expanded its operations via the acquisition of Hamleys, one of the world's best-known retailers of toys, as a first step to implementing its global branding strategy.

About Nanjing Xinjiekou Department Store Co., Ltd.

Established in 1952, Nanjing Xinjiekou Department Store Co., Ltd., is a leading chain of luxury Chinese department stores focused on fashion and accessories. It was the first publicly listed commercial enterprise on the Shanghai Stock Exchange (600682.SH) based in Nanjing.

About Highland Group Holdings Limited

Highland Group is a company incorporated in England and Wales and is principally engaged in the operation of premium department stores in the UK and Ireland. It trades principally under the iconic House of Fraser brand name through a portfolio of 59 well-invested stores, as well as through its rapidly growing and complimentary online store. House of Fraser is one of the leading national department store brands 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.

Issued by **Porda Havas International Finance Communications Group** for and on behalf of **C.banner International Holdings Limited**. For further information, please contact:

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