

Press Release  
For Immediate Release

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

**C.banner Announces 2014 Annual Results**  
**Revenue and Gross Profit Rise 16.1% and 18.6% to RMB2,820.7 Million and**  
**RMB1,788.0 Million Respectively**  
**Net Profit Attributable to Equity holders of the Company**  
**Increases 4.7% to RM242.2 Million**

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***Enhancing Competitiveness, Restructuring Retail Network and***  
***Actively Developing Online Business for Marketing***

Financial Highlights (For the year ended 31 December)			
	2014 (RMB Million)	2013 (RMB Million)	Change
Revenue	2,820.7	2,430.0	+16.1%
Gross profit	1,788.0	1,507.7	+18.6%
Gross profit margin (%)	63.4%	62%	+1.4pts
Net Profit attributable to equity holders of the Company	242.2	231.3	+4.7%
Basic earnings per share (RMB cents)	12.11	11.57	+4.7%

(31 March 2015, Hong Kong) **C.banner International Holdings Limited** (“**C.banner**” or the “**Company**”, together with its subsidiaries, the “**Group**”, stock code: 1028), the second largest retailer of middle-to-high-end women’s formal and leisure footwear in the PRC, today announced its annual results for the year ended 31 December 2014 (“year under review”).

Despite the volatile business environment and intense competition, C.banner achieved steady growth of the financial performance during the year under review. During the year under review, the Group’s total revenue increased by 16.1% to RMB2,820.7 million. Gross profit climbed 18.6% to RMB1,788.0 million. Profit attributable to equity holders rose 4.7% to RMB242.2 million. Gross profit margin increased to 63.4%. Basic earnings per share amounted to RMB12.11 cents.

**Mr. Chen Yixi, Chairman of C.banner** said, “2014 was a challenging but positive year for the Group. We had taken myriad steps to drive our business forward and were able to achieve a steady business growth. In 2014, the Group was actively developing online business which complements with our O2O strategy of combining online and offline power for better marketing of products and brands. To build up brand image, wide-ranging marketing strategies were developed and effectively executed, with particular focus on expanding the network of new licensed brand stores with outstanding performance and on new brand sales.

With respect to store management, the Group attached great importance to the optimization of proprietary outlets and had put a brake on opening new outlets. In order to improve the inventory level, the Group has resorted to different measures, which include strengthening cooperation with online platforms such as VIP.com, organizing large-scale special sales and launching a series of promotional events in our outlet stores.”

Contributions from retail and wholesaling operations year-on-year increased 13.9% to RMB2,556.7 million of overall revenue as of 31 December 2014. The contribution from retail and wholesale was 90.6% as a proportion of revenue, while the proportion of revenue attributable to contract manufacturing was 9.4%.

During the year under review, the Group added a total of 53 proprietary retail outlets and reduced third-party outlets by 42. As of 31 December 2014, it oversaw a total of 1,765 proprietary retail outlets and 532 third-party outlets across China, maintaining a strong presence in over 31 provinces, municipalities and autonomous regions. Due to the negative sentiment in the retail market and the increasing level of competition, same-store sales growth for 2014 increased by approximately 0.8% compared to the previous year.

During the past year, the Group continued to adopt diversified marketing to bolster sales and enhance brand awareness. Particular focus was placed on the mid-to-premium women’s footwear in China as the Group expects that this is one of the market segments which would benefit most from the growing consumption power of China’s emerging middle class. The Group also fully leveraged on new media to extend and reach to customers and drive consumer interaction. One key area is the online platform such as Tmall.com which the Group actively developed to promote its brand and products. On the offline front, the Group gave its outlets a new look to offer customers a fresh and appealing shopping experience.

The Group is also committed to developing lifestyle brands with distinctive DNA to enhance its core competitiveness as it understand that brand charisma is the essential element for retaining clients and increasing customers’ loyalty. In order to broaden the appeal of the brands, in addition to its ongoing efforts to strengthen existing brands, the Group also strived to diversify its product offerings and introduced a full suite of new products including handbags, men’s footwear and accessories.

**Mr. Chen** concluded, “Looking ahead, the Group remains confident about the outlook for the women’s footwear market as we expect that the industry will recover gradually in line with the improvement of the macroeconomic environment. We will continue to implement a series of future strategies which include enhancing brand image, diversifying brand portfolio and restructuring retail network. Besides, under our hybrid marketing strategy which encompasses both online and offline initiatives, the Group will continue to develop online business and platforms to drive sales and enlarge sales and distribution network while organizing more promotional events at our retail outlets. To improve operation efficiency and cost control, we will spare no endeavor to maintain optimal inventory level. We will also seek for selective acquisitions in a prudent manner to achieve synergy effect, as well as to upgrade product design to better meet the customers’ needs and preferences. We are confident that these strategies will add momentum to the Group’s growth and in turn provides shareholders with positive results and rewards.”

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### **About C.banner International Holdings Limited**

C.banner International Holdings Limited is 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 with 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", "United Nude" and "French Connection" 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.

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

### **Porda Havas International Finance Communications Group**

Ms. Kelly Fung	+852 3150 6763	kelly.fung@pordahavas.com
Ms. Tiff Ko	+852 3150 6736	tiff.ko@pordahavas.com
Mr. Sam Fang	+852 3150 6721	sam.fang@pordahavas.com
Ms. Gloria Huang	+852 3150 6731	gloria.huang@pordahavas.com
Fax:	+852 3150 6728	