

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

**C.banner Announces 2015 Interim Results
Revenue and Net Profit Attributable to Equity Holders of the Company
Increased 14.1% and 13.5% to
RMB1,416.2 Million and RMB111.0 Million Respectively**

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Diversification of Online and Offline Marketing Strategies, Further Optimization of Sales Network and Continuous Improvement of Profitability

Financial Highlights (For the six months ended 30 June)			
	2015 (RMB Million)	2014 (RMB Million)	Change
Revenue	1,416.2	1,240.9	+14.1%
Gross profit	888.8	781.3	+13.8%
Gross profit margin (%)	62.8%	63.0%	-0.2pts
Net profit attributable to equity holders of the Company	111.0	97.8	+13.5%
Net profit margin (%)	7.8%	7.9%	-0.1pts
Basic earnings per share (RMB cents)	5.55	4.89	+13.5%

(31 August 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 interim results for the six months ended 30 June 2015 (“**period under review**”).

Despite the macro economy remaining unstable and the footwear industry still facing a tough operating environment in the first half of 2015, C.banner achieved steady growth during the period under review with improving financial indicators. During the period under review, the Group’s total revenue increased by 14.1% to RMB1,416.2 million as compared to the corresponding period last year. Gross profit climbed 13.8% to RMB888.8 million as compared to the corresponding period last year. Net profit attributable to equity holders of the Company rose 13.5% to RMB111.0 million compared with the same period last year. Gross profit margin and net profit margin remain stable at 62.8% and 7.8% respectively. Basic earnings per share was RMB5.55 cents, representing an increase of 13.5% as compared to the same period last year.

Mr. Chen Yixi, Chairman of C.banner said, “In the first half year of 2015, in face of the challenges brought by e-commerce and emerging sportswear fashion, the Group actively employs a series of measures to achieve a steady business growth. For better marketing of products and brands, the Group further develops online to offline (O2O) strategy, expands

online sales platforms such as Tmall and JD and launches a new online promotion program called “Song of the Week” on Wechat platform. In terms of store management, the Group focuses on enhancing the consumption experience of offline stores and expanding the network of new licensed brand stores with outstanding performance. The Group has also taken a proper move in closing down underperformed stores, improving same stores sales growth and optimizing proprietary outlets.”

During the period under review, revenue from retail and wholesaling operations increased 14.2% to RMB1,292.3 million as compared to the corresponding period last year, while revenue from contract manufacturing increased 13.5% to RMB123.9 million. The contribution from retail and wholesale accounted for 91.3% of the Group’s total revenue, while contract manufacturing was 8.7%.

During the period under review, the Group reduced a total of 11 proprietary retail outlets and added third-party outlets by 12. As of 30 June 2015, the Group operated a network of 1,754 proprietary retail outlets and 544 third-party outlets across China, maintaining a strong presence in over 31 provinces, municipalities and autonomous regions. Under the challenging market environment, same store sales increased by 5.4% in the first half of 2015 as compared to the same period last year.

To improve product mix, the Group introduced fashion products in response to market demand and fashion trend and launched a series of products, including handbags, men’s footwear and accessories, which proved to be very popular items. Meanwhile, the Group continued to expand its sales network and accelerated the pace of establishing a national layout of new licensed brands. The Group had also actively developed online business and fully leveraged online platforms and new media as diversified e-marketing strategies to attract younger consumers. With effective use of these new media, the Group had successfully implemented a series of campaigns, such as VIP member schemes, sales promotion and frequent and full updates of product catalogues. Besides, the Group was committed to enhance the same store sales growth of each offline store and actively improve the construction of online stores.

Mr. Chen concluded, “Looking ahead, we will continue to implement a series of strategies, which include the active development of online business and acceleration of online and offline integration to boost sales and promote our diversified brands. The Group will also enhance its brand image and develop its diversified brand portfolio through the development of new self-owned brands and potential new licensed brands. Besides, the Group will also carry out selective acquisitions of brands that are highly complementary to our existing portfolio to achieve synergy effect. In terms of network building, the Group will continue to refine offline sales and distribution networks and enhance same-store operation efficiency and shut down underperformed stores on one hand; On the other hand, the Group will keep its efforts in developing online business and platforms in order to drive sales and broaden sales and distribution network. The Group will establish effective strategic measures to enhance operating efficiency, control expenses and further optimize inventory level. The Group is confident to turn the prevailing challenges into opportunities and deliver fruitful results and rewards to our valuable shareholders. ”

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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" 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.

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