



Press Release  
For Immediate Release

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

### **C.banner Announces 2017 Interim Results**

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***Set Up of a Joint Venture with Madden Asia,  
Allowing the Group to Further Expand its Business into the Mid-to-high End Footwear  
Market in the PRC***

***Partially Acquired EtonKids Educational Group Limited, Entering the Kindergarten  
Education Services Industry***

(30 August 2017, Hong Kong) **C.banner International Holdings Limited** (“**C.banner**” or the “**Company**”, together with its subsidiaries, the “**Group**”, stock code: 1028), the leading international integrated retailer and mid-to-premium footwear brand in China, today announced its interim results for the six months ended 30 June 2017 (the “period under review”).

The economic environment remained difficult and challenging in the first half of 2017, yet the Company has been steadily marching towards its goal of becoming a world-renowned brand. The Group did encounter challenges despite achieving encouraging developments, including the impact of e-commerce sales channels and footwear industry restructure. During the period under review, the Group’s total revenue decreased 5.8% to RMB1,415.8 million as compared to the same period of last year. Gross profit slightly decreased to RMB908.4 million from RMB908.5 million in the same period of last year; the gross profit margin was 64.2%, representing an increase of 3.8 percentage points as compared with the same period of last year; Profit attributable to equity holder of the Company was RMB39.1 million and basic earnings per share was RMB1.88 cents. The decrease of net profit attributable to equity holder of the Company is mainly because the Group recorded an RMB19.9 million net foreign exchange loss for the six months ended 30 June 2017, compared to an RMB37.8 million net foreign exchange gain in the same period of last year. Given the weak sentiment of the retail market, the Group performs steadily and its visionary global branding strategy has started to show effectiveness. In addition, as the profit contributed by a series of movements mainly derives from the second half year, the Group’s annual performance is highly hoped for.

**Mr. CHEN Yixi, Chairman of C.banner** said, “The global economic environment continued to be challenging in the first half of 2017. However, as a global economic powerhouse, China’s economy is steadily gaining steam amidst the adverse general economic climate. The Group firmly grasps the opportunities and takes challenges by implementing a series of strategies. We continued to promote the strategic business with British high-end toys retailer Hamleys as one of its key global branding strategies, which helped to diversify our business and enrich our brand portfolio. In addition, we also set up a joint venture with Madden Asia, which will

allow the Group to further expand our business into the mid-to-high end footwear market in the PRC. Another move is the agreement to partially acquire EtonKids Educational Group Limited, which will further diversify the Group's business by entering the kindergarten education services industry."

In terms of the retail of toys, the addition of Hamleys' business has added synergy to C.banner's existing business and equipped the Group with a variety of diversified products and services with an innovative concept, thereby enhancing our brand image and increasing our brand exposure. Taking advantage of the favorable key factors such as the increasing disposable income, progress of urbanization, and the two-child policy fully implemented in 2016, the Group will further profit from the bright prospects of the toys industry.

In terms of the shoes retail, in order to further optimize and expand the brand portfolio, C.banner set up a joint venture for selling "STEVE MADDEN" products in China, with 150 retail outlets of "STEVE MADDEN" expecting to open in the PRC by the end of 2020. In addition, the Group has further strengthened its O2O strategy by continuing to utilize online sales platforms and exploring new online channels. As of 30 June 2017, the Group oversaw a network of 1,638 proprietary retail outlets and 365 third-party retail outlets across China, maintaining a strong presence in over 31 provinces, municipalities and autonomous regions.

In terms of the kindergarten education business, the Company entered into a sale and purchase agreement to purchase 6,319,820 shares of EtonKids Educational Group Limited ("EtonKids") with a cash consideration of US\$79,408,705, representing 45.78% of the issued share capital of EtonKids during the period under review. EtonKids is an education group operating kindergartens under the brand "EtonKids" in China and as of July 2017, it managed an aggregate 36 high-end kindergartens in China. The acquisition will diversify the Group's business into kindergarten education services industry, further strengthen the Group's presence in the market for children's products and services to achieve strong synergy with the existing toys retailer business. The acquisition will also allow the Group to benefit significantly from the two-child policy in China and broaden revenue sources of the Group with good quality assets.

**Mr. CHEN** concluded, "C.banner will take a series of actions to increase growth momentum in the second half of 2017. In view of the e-commerce, the Group will devote more time and resource on online efforts to boost sales and enhance brand awareness, as well as utilizing new interactive media platforms to promote the brands and provide personalized consumption experience to consumers. In terms of branding strategy, we will leverage Hamleys and STEVEN MADDEN brands as well as integrating EtonKids into our business to upgrade brand image and diversify brand portfolio. We will also introduce new potential licensed brands based on consumers' preference to further implement its global branding strategy and increase brand popularity and recognition in both Greater China and overseas. In summary, while the operating environment is constantly changing, C.banner remains steadfast as ever to pursue the goal of developing into a global brand with local roots and relevance, thus bringing outstanding achievements to our shareholders."

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

**C.banner International Holdings Limited** is a leading international integrated retailer and mid-to-premium footwear brands in China, and is engaged in the manufacturing and sales of women’s mid-to-premium footwear with various designs. The Group manages self-developed brands, namely “C.banner”, “EBLAN”, “sundance”, “MIO” and ”Badgley Mischka”, and sells “STEVE MADDEN” shoes in China through a joint venture company. C.banner’s self-developed brands products and licensed brands products are mainly distributed through department stores and independent retail stores in first, second and 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, the Company expanded its business by acquiring Hamleys, the world-leading and renowned toys brand, and entered into children consumption sector. The Company partially acquired the issued share capital of EtonKids Educational Group Limited in 2017, which will diversify the Group’s business into kindergarten education services industry, further strengthen the Group’s presence in the market for children’s products and services.

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