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C.banner International Holdings Limited

千百度國際控股有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 1028)

BUSINESS UPDATE OF THE GROUP FOR THE SECOND QUARTER OF 2012

The Board is pleased to provide the business development update of the Group for the second quarter of 2012.

This announcement is made pursuant to rule 13.09 (1) of the Listing Rules.

The board of directors (the “**Board**”) of C.banner International Holdings Limited (the “**Company**”) is pleased to provide the business development update of the Company and its subsidiaries (together, the “**Group**”) for the second quarter of 2012. This announcement is made pursuant to rule 13.09 (1) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

Distribution and Retail Network

As at 30 June 2012, the Group’s distribution and retail network consisted of 1,964 outlets, with an increase of 216 outlets as compared with the 1,748 outlets as at 31 December 2011, located in 31 provinces, autonomous regions and municipalities in the People’s Republic of China.

	As at 31 December 2011	As at 30 June 2012	Net addition
Proprietary outlets	1,311	1,449	138
Third party outlets	437	515	78
Total:	1,748	1,964	216

The increase of the number of the Group’s outlets is in line with the outlets development plan of the year of 2012. The increase of the sales growth rate of the outlets is a little bit lower than the estimated growth.

Period-on-period Same-store Sales Growth Rate

For the three months ended 30 June 2012, the Group achieved the same-store sales growth rate of approximately 9.8% from the same period in 2011.

Shareholders of the Company and potential investors should note that, the above information is operational statistics, and has not been audited or reviewed by the Company's auditors.

By order of the Board
C.banner International Holdings Limited
Chen Yixi
Chairman

PRC, 16 July 2012

As at the date of this announcement, the executive directors of the Company are Mr. CHEN Yixi, Mr. LI Wei, Mr. HUO Li and Mr. XU Tingyu; the non-executive directors of the Company are Mr. MIAO Bingwen, Mr. HO Chi Kit (with Mr. LI Xinhui as his alternate) and Mr. WU Guangze; and the independent non-executive directors of the Company are Mr. KWONG Wai Sun Wilson, Mr. XU Chengming and Mr. LI Xindan.