

Newsletter

Jan – Mar 2013

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

C.banner International Holdings Limited (“C.banner” or the “Group”, Stock Code: 1028) is pleased to distribute a newsletter summarizing the Group’s updates, corporate development and industry news. To show your support, please feel free to let us know the issues that interest you or give us any comments or suggestions via email.

Corporate News

C.banner Acquires Trademarks of Internationally Recognized Fashion Brands “BADGLEY MISCHKA” and “MARK & JAMES”

On February 7, C.banner announced that the Company acquired the trademarks of “BADGLEY MISCHKA” and “MARK & JAMES”, further expanding the ladies’ footwear and leather product portfolio of the Group.

“BADGLEY MISCHKA” is a well-known fashion brand in the United States co-founded by American designers, Mark Badgley and James Mischka in 1988. Its products include evening dresses, dress suits, perfume, handbags, footwear and glasses, which are famous for their elegant and gorgeous style. “BADGLEY MISCHKA” was selected as one of the top ten United States brands by “Vogue” magazine in 2005 and has great influence in the global apparel market. “MARK & JAMES”, as a sub-brand, is a ladies fashion brand launched by “BADGLEY MISCHKA” in 2009, which is famous for its avant-garde style, emphasis on personality and pursuit of fashion and has leading position in the European and American ladies fashion market.

The Group believes “BADGLEY MISCHKA” and “MARK & JAMES” are international premium brands favored by world’s top celebrities. Their brand value could enhance the brand image of the Group.

Optimizing Brand Portfolio Focusing on Mid-to-High End Ladies' Footwear Market



C.banner Enters into Distribution Agreement with “Dongguan Highline” and “J.C.” to Distribute “ASH” and “JC” Branded Products

On March 21, C.banner entered into the Distribution Agreement with Dongguan Highline United Trading Co., Ltd. (“Dongguan Highline”) and J.C. Leather Products (Dong Guan) Ltd. (“J.C.”), the well-known mid-to-premium women’s footwear in China, agreed to distribute “ASH” and “JC” branded products under “Dongguan Highline” and “J.C.”. Nanjing Mayflower Footwear, wholly owned subsidiary of the Group, became the principal distributor of the Products for the distribution of “ASH” and “JC” branded products in the PRC. The Products are sold by the Dongguan Highline and J.C. to Nanjing Mayflower on a wholesale basis. Nanjing Mayflower is responsible for the retail of the two brands in Mainland China. The Group will also take over the operation of over 100 existing sales points of “ASH” and “JC” branded Products in the PRC. It is targeted that the total number of sales points of the Products in the PRC will reach around 200 in the next three years.

The brand positions of “ASH” and “JC” are relatively higher as compared with the Group’s existing brands. Therefore, with their accession, our brand portfolio could be further enriched to better meet a wide range of consumer needs, thereby enhancing our influence in the market.

Newsletter

Jan – Mar 2013

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

Results Announcement

C.banner Announced 2012 Annual Results

- Revenue rose 19.0% to RMB2,432.2 million
- Gross profit rose 18.6% to RMB1,539.5 million
- Profit attributable to owners of the Company rose 8.0% to RMB313.5 million
- Gross profit margin and net profit margin were 63.3% and 12.9% respectively
- Basic earnings per share amounted to RMB15.68 cents
- Dividend payout of RMB0.044 per share was proposed
- Same-store sales grew by 6.27%

During the year under review, the Group added a net total of 245 proprietary outlets and 173 third-party outlets. As of 31 December 2012, the Group operated 1,556 proprietary outlets and 610 third-party outlets across PRC, maintaining a strong presence in over 31 provinces, municipalities and autonomous regions.

The Group launched a new self-developed brand, MIO, in the first half of the year. Targeting the premium end of the market, MIO offers a range of trendy and high-quality women's footwear. As of 31 December 2012, MIO was available at 23 of the Group's proprietary outlets and 113 third-party outlets.

In 2013, the Group will continue to implement multi-brand strategy, in order to expand its share in PRC's middle-to-high-end footwear product market through increasing the sale of its proprietary brands and cooperating with other brands. The Group plans to open at least 200 proprietary outlets and at least 100 third-party outlets in 2013, primarily in PRC's third and fourth-tier cities. In addition, the Group will work with third-parties to create an online platform for the electronic sale of its products to further expand its customer base. The Group will maintain the existing production capacity for its OEM business in 2013. At the same time, the Group will capture better returns by optimizing the product mix towards high-end brands.

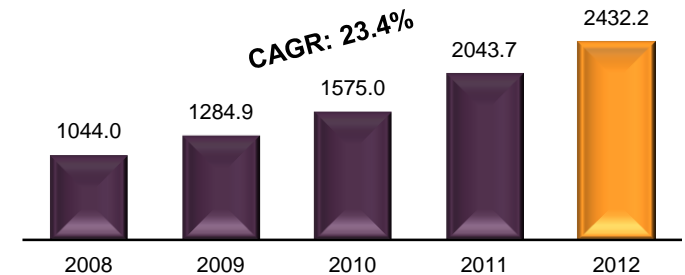
Investor and Media Contacts

Phone : +852 3150 6788

Email : cbanner@pordahavas.com

Total Revenue

(RMB Mn)



Gross Profit and Gross Profit Margin

(RMB Mn, %)

