

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

**Hongguo International Changes Name  
to C.banner International Holdings Limited**

**C.BANNER Announces 2011 Annual Results**  
**Revenue Increases 29.8% to RMB2,043.7 Million**  
**Profit Attributable to Owners of the Company Surges 70.8% to RMB290.2 Million**  
**Gross Profit Margin Rises to 63.5%**

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*Striving to maintain and enhance the leading position as one of the largest retailers of  
mid-to-premium women's footwear in China*

<b>Financial Highlights (For the year ended 31 December)</b>			
	<b>2011 (RMB Million)</b>	<b>2010 (RMB Million)</b>	<b>Changes</b>
<b>Revenue</b>	<b>2,043.7</b>	1,575.0	<b>+29.8%</b>
<b>Gross profit</b>	<b>1,298.3</b>	972.3	<b>+33.5%</b>
<b>Gross profit margin (%)</b>	<b>63.5%</b>	61.7%	<b>+1.8 pts</b>
<b>Operating profit</b>	<b>405.4</b>	239.7	<b>+69.1%</b>
<b>Profit attributable to owners of the Company</b>	<b>290.2</b>	169.9	<b>+70.8%</b>
<b>Net profit margin (%)</b>	<b>14.2%</b>	10.9%	<b>+3.4 pts</b>
<b>Basic earnings per share* (RMB cents)</b>	<b>16.28</b>	9.99	<b>+63.0%</b>

*Note: The calculation of the basic earnings per share attributable to owners of the Company for the year is based on the earning of RMB290.2 million and weighted average number of ordinary shares of 1,782.2 million shares.*

[22 March 2012, Hong Kong] **C.banner International Holdings Limited** (“**C.BANNER**” or the “Company”, formerly known as “Hongguo International Holdings Limited”, together with its subsidiaries, the “Group”, stock code: 1028), the second largest retailer of mid-to-premium women’s formal and casual footwear in China, today announced its annual results for the year ended 31 December 2011 (“year under review”). The Company also announced that it has taken on the new name “C.banner International Holdings Limited” and in Chinese “千百度國際控股有限公司”. The stock short names of the Company have thus become “C.BANNER” and “千百度” with effect from 2 April 2012.

**Mr. Chen Yixi, Chairman of C.BANNER** said, “The change of our Company name marks an important step in our corporate development. With its high quality products, “C.banner” brand has already earned its renowned reputation among customers. We believe that the new name not only maintains the consistency with the name of the Group and its major brand, but also boost the profile of its signature C.banner brand and increase the Company’s recognition as one of the leading retailers of mid-to-premium women’s footwear in China.”

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Benefitting from the rapidly growing middle-to-high end footwear market, C.BANNER recorded satisfactory results during the year under review. For the year ended 31 December 2011, the Group's total revenue from continuing operations rose 29.8% to RMB2,043.7 million. Gross profit from continuing operations rose 33.5% to RMB1,298.3 million. Profit attributable to owners of the company surged 70.8% to RMB290.2 million. Basic earnings per share amounted to RMB16.28 cents. The Board of Directors of the Company has declared a final dividend of RMB0.043 per share for the year ended 31 December 2011.

In the fiscal year of 2011, the Group's gross profit margin increased to 63.5%, an increase of 1.8 percentage points from the previous fiscal year. The increase was due to a greater contribution from the retail and wholesale of high-end shoes and effective cost control. Net profit margin increased to 14.2%, an increase of 3.4 percentage points from the previous fiscal year. In addition, the Group maintained its healthy financial position by maintaining a strong balance sheet with solid cash flow position as its balance of cash and bank deposits have significantly increased 212.3% to RMB504.0 million. Gearing ratio was 0.9% from previous fiscal year, which reflects the Group has maintained a healthy capital structure.

During the year under review, revenue generated from retail and wholesale continued to be the Group's key growth driver, increased 32.3% to RMB1,807.9 million and accounting for approximately 88.5% of the Group's total revenue. The revenue generated from contract manufacturing also increased 13.4% to RMB235.8 million, accounting for approximately 11.5% of the Group's total revenue.

**Mr. Chen** continued, "In 2011, the global economy experienced volatility and faced recession threats. The tight measures imposed by the Chinese government to combat inflationary pressures also resulted in a slower growth in China's retail sector. However, we remained focused on expanding our network of proprietary retail stores as well as third-party outlets. We also introduced two new footwear brands, *Fabiola* and *sundance*, in 2011, in order to maintain and enhance our leading position as one of the largest retailers of mid-to-premium women's footwear in China. As a result, we were able to achieve a steady business growth in 2011."

During the year under review, the Group continued to open more proprietary retail outlets in department stores and expand its wholesale network in order to maximize revenue and market share as well as further extend its reach to the growing number of mid-to-upper-class consumers in China. The Group achieved same-store sales growth of 14.6%, as it sought to improve customer experience by refurbishing and improving the layout of stores. The Group also continued to promote its VIP program attached to its self-developed footwear brands in order to encourage repeat purchases and improve customer loyalty. The Group added a net total of 339 proprietary outlets and operated a total of 1,311 proprietary outlets as of 31 December 2011. It added 120 third-party outlets to make a total of 437 for the year. The Group operated a total of 1,748 stores as of 31 December 2011.

The Group introduced two new brands in 2011 in order to diversify its product offerings, extend its reach to new markets and broaden its customer base. In the first half of the year, the Group launched *Fabiola*, a range of premium fashion, business and business casual footwear targeting women aged between 25 and 39 and now available in some of the Group's proprietary C.banner stores. *sundance*, a new range of mid-to-high-end casual footwear targeting women aged 18 to 35, was launched in August 2011 and are sold through the Group's own retail outlets. The Group operated 97 *Sundance* stores as of 31 December 2011.

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Looking ahead, **Mr. Chen** concluded, “2011 was a landmark year for C.BANNER, which saw our successful listing on the Hong Kong Stock Exchange as well as our satisfactory financial results for our shareholders. The Company will continue to focus on expanding its sales channels and developing new brands either independently or through joint-ventures or other forms of cooperation with international brands. The Company also plans to develop an online platform to sell its products, in order to maintain the Group’s growth momentum. The Group is committed to continuously expanding its business and maintaining its leading position in the women’s footwear market in the PRC, thus creating genuine shareholder value in the future.”

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

C.banner International Holdings Limited (formerly known as “Hongguo 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 five self-developed brands, namely “C.banner”, “EBLAN”, “Fabiola”, “sundance” and “MIO”, as well as licensed brand “naturalizer”, through an extensive distribution and retail network in mainland China. Hongguo International’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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