You should carefully consider all of the information in this prospectus including the risks and uncertainties described below before making an investment in the Offer Shares. The business, financial condition or results of operations of our Group could be materially adversely affected by any of these risks. The trading price of the Shares could decline due to any of these risks, and you may lose all or part of your investment.

RISKS RELATING TO OUR BUSINESS

We are heavily dependent on C&J Clark and the distribution agreements with our suppliers in relation to our branded footwear products

We have entered into distribution agreements with various suppliers, including C&J Clark, to use their respective brands as well as to sell and market their footwear products in Hong Kong and other territories. Such distribution agreements are renewable subject to certain conditions and requirements, such as minimum purchase and minimum new outlet requirements every year. The terms of the distribution agreements range from a period of four years to a period of 10 years and one month and our distribution agreement with C&J Clark will expire on 31 December 2017. The distribution agreements are subject to early termination if we fail to meet or adjust these requirements upon negotiation with suppliers or fail to perform the contractual obligations.

During the Track Record Period, we derived a substantial part of our revenue from the sales of Clarks branded products. The aggregate revenue from the sales of Clarks branded products accounted for approximately 80.9%, 84.8%, 80.0% and 77.8% of our total revenue for the three years ended 31 December 2012 and five months ended 31 May 2013, respectively; whereas our gross profit margins on the sales of Clarks branded footwear products was approximately 59.5%, 65.2%, 65.7% and 68.7% for the same periods. The aggregate turnover generated by Clarks and Clarks Originals specialty Retail Outlets accounted for approximately 29.2%, 33.8%, 32.5% and 30.0% of our Group's total turnover of retail operation for each of the three years ended 31 December 2012 and five months ended 31 May 2013. As at the Latest Practicable Date, 11 out of the 20 Retail Outlets operating under the trade name of Clarks and Clarks Originals were subject to the restriction of selling Clarks branded footwear products only under their respective leases/concession agreements. If our agreements with C&J Clark have been terminated, we will have to suspend the operation of such specialty Retail Outlets. If we are unable to obtain the consents from the respective landlords to change the usage of the self-rented shop/concession, in which our sales generate through such channels, our revenue will be reduced significantly. In the event of early termination of such leases/concession agreements, we may have to pay penalty to and rental deposits paid under such leases/concession agreements may be forfeited by the respective landlords. We may also incur costs for relocation including certain fixed assets in such Retail Outlets would have to be written off. The profitability of our business may therefore be materially and adversely affected. Our success therefore depends significantly on our ability to sell products under this brand. Negative publicity or disputes in Hong Kong or relevant jurisdictions about the Clarks brand or about our products could materially and adversely affect public perception of the Clarks brand. Any impact on our ability to continue to sell products under this brand, or any significant damage to the images of this brand could materially and adversely affect our business, financial position and results of operations.

There is no assurance that the suppliers will be satisfied with our performance under the distribution agreements, or the suppliers will not attempt to terminate the distribution agreements or to seek damages from us as a result of different interpretation of major terms of the distribution agreements or for other reasons, or that we will be able to renew the distribution agreements on the same or similar terms which are not less favourable, or at all. If the distribution agreements are terminated or if we fail to renew any of them upon their expiration, we will be unable to continue the sale of footwear products under the distribution agreements, and our business, financial position and results of operations will be materially and adversely affected.

We are subject to inventory fluctuation and our inventory may become obsolete

Our average inventory turnover days were approximately 229.4 days, 192.0 days and 225.5 days for the three years ended 31 December 2012, respectively. As at 31 December 2010, 31 December 2011 and 31 December 2012, provisions for obsolete inventories amounted to approximately HK$1.8 million, HK$7.0 million and HK$2.4 million, respectively, were applied against the inventory balances. Our provision for obsolete inventories increased from approximately HK$1.8 million as at 31 December 2010 to HK$7.0 million as at 31 December 2011, as our management considered the marketability of the pertaining SKUs to be low. We operate in an industry that has constantly shifting market trends and it is not unlikely for us to encounter a sudden decrease in the market demand of our products. Any such unanticipated drop in our sales could cause our inventory to accumulate, and may adversely affect our financial position and results of operations.

As we lease all of the properties on which our Retail Outlets operate, we are exposed to risks relating to the commercial real estate rental market, including unpredictable and potentially high occupancy costs

We lease all the properties on which our Retail Outlets operate. Occupancy costs account for a significant portion of our operating expenses. For the three years ended 31 December 2012, our property rentals and related expenses (excluding our headquarters and warehouses) amounted to approximately HK$91.8 million, HK$121.0 million and HK$158.4 million, respectively, representing approximately 30.1%, 30.0% and 35.8% of our Retail Outlets revenue during the respective years. Our Directors believe that, generally, rental costs for premises that are suitable for our Retail Outlets in Hong Kong will continue to increase. There is no objective way to precisely predict the rate of increase in the commercial real estate rental market, and our substantial operating lease obligations expose us to potentially significant risks, including increasing our vulnerability to adverse economic conditions, limiting our ability to obtain additional financing and reducing our cash available for other purposes.

If we are unable to anticipate and respond to customer preferences and fashion trends, we may not be able to maintain or increase our sales and earnings

The footwear industry is subject to rapidly changing consumer demand and fashion trends. Our products appeal to a broad range of consumers, and success of both our wholesale and retail operations depends largely on our ability to anticipate, understand and react to changing consumer demand and preferences. Our sales of footwear brands are also subject to rapid changes in footwear technology, the availability of high quality endorsers and the possibility of negative expert opinions on the unique technologies and designs of our performance footwear brands. If we fail to successfully anticipate and respond to changes in consumer demand and fashion trends, introduce new products and designs and implement effective, responsive merchandising and marketing strategies and programs, we could experience lower sales, excess inventories and lower gross margins. Such could have an adverse effect on our results of operations and financial position.

Changes in relationships with any of our key suppliers may have an adverse impact on future results

Our business is significantly dependent upon the ability to purchase footwear products of international brands at competitive prices from our suppliers. We expect to continue to obtain a significant percentage of our products from such suppliers in future periods. The inability to obtain products of international brands in a timely manner from major suppliers or any disruption in the supply chain or at a comparative price could have a material adverse effect on our business, financial position and results of operations.

We may not be able to effectively promote or develop our licensed brands

Brand image is an important factor which affects a customer’s purchasing decision with respect to footwear products. To effectively promote our brands, we would have to be able to build and maintain the brand image by a variety of promotional and marketing activities, as well as expanding our retail network. There is no assurance that we will be able to effectively promote or develop these brands. If we fail to do so, the reputation of such brands may be undermined, and our results of operation may be adversely affected.

We compete with other retailers for quality locations in a highly competitive market for retail premises. If we cannot obtain desirable retail outlet locations or secure renewal of existing leases on commercially reasonable terms, our business, results of operations and ability to implement our growth strategy will be adversely affected

We compete with other retailers for prime locations in highly competitive markets for retail premises. There is no assurance that we will be able to enter into new lease agreements for prime locations or renew existing lease agreements on commercially reasonable terms.

Our lease agreements for the Retail Outlets typically have an initial term ranging from one to five year(s) and some contain an option for us to renew for an additional term. Many of our lease agreements provide that the rent will increase within the initial term or after the initial term at a fixed rate or at the then prevailing market rate. In addition, several of our leases require us to pay an additional contingent rent, determined as a percentage of sales, as specified by the terms of the applicable lease agreement. Where we do not have an option to renew a lease agreement, we must negotiate the terms of renewal with the lessor, which may insist on a significant modification to the terms and conditions of the lease agreement. If a lease agreement is renewed at a rate substantially higher than the existing rate, or other existing favorable terms granted by the lessor, if any, are not extended, we must evaluate whether renewal on such modified terms is in our business interest. If we are unable to renew leases for the Retail Outlets, we will have to close or relocate the relevant Retail Outlet, which would eliminate the sales that the Retail Outlet would have contributed to our revenues during the period of closure, and could subject us to construction and other costs and risks. As at Latest Practicable Date for those retail outlets with leases to be expired in 2013 and 2014, the respective revenue generated in the year ended 31 December 2012 amounted to approximately HK$36.7 million and HK$118.0 million. Therefore, any inability to obtain leases for desirable Retail Outlet locations or renew existing leases on commercially reasonable terms could have a material adverse effect on our business and results of operations.

If our expansion plan proves to be unsuccessful, or if we fail to obtain sufficient funding for our expansion plans, our business and growth prospects may be adversely affected

For the three years ending 31 December 2013, 2014 and 2015, respectively, we expect to invest approximately HK$5.2 million, HK$9.2 million and HK$13.3 million for our expansion plan in Hong Kong, Taiwan and the PRC. Accordingly, in the event that our expansion plan proves to be unsuccessful, our overall cash flow position, as well as our profitability, may be materially and adversely affected. We may require additional cash resources to finance our continued growth or other future developments, including any investments we may decide to pursue. The amount and timing of such additional financing needs will vary depending on the timing of our new Retail Outlet openings, investments in new Retail Outlets and the amount of cash flow from our operations. If our resources are insufficient to satisfy our cash requirements, we may seek additional financing by selling additional equity or debt securities or obtaining a credit facility.

Our ability to obtain additional capital on acceptable terms is subject to a variety of uncertainties, some of which are beyond our control, including general economic and capital market conditions, credit availability from banks or other lenders, investors' confidence in us, the performance of the footwear industry in general, and our operating and financial performance in particular. We cannot assure you that future financing will be available in amounts or on terms acceptable to us, if at all. In the event that financing is not available or is not available on terms acceptable to us, our business, results of operations and growth prospects may be adversely affected.

Opening of new Retail Outlets could result in fluctuations in our financial performance

Our operating results have been, and in the future may continue to be, influenced by the timing of opening of new Retail Outlets, including initially lower sales and higher operating costs, as well as changes in our geographic distribution due to the openings of new Retail Outlets. Our Group will also incur expenses before opening of new Retail Outlets such as rental expenses. Our progress in opening new Retail Outlets from period to period may also occur at an uneven rate. Accordingly, the number and timing of new Retail Outlet openings have, and may continue to have, a significant impact on our profitability. As a result, our results of operations may fluctuate significantly from year to year and comparison of different periods may not be meaningful. Our results for a given financial year are not necessarily indicative of results to be expected for any other financial year.

We recorded negative operating cash flow in 2012 and we cannot assure you that we will record positive operating cash flow in the future

We recorded negative operating cash flow of approximately HK$15.9 million in 2012, resulting from (i) operating cash inflow before movement in working capital of approximately HK$38.0 million; (ii) the net working capital outflow of approximately HK$45.9 million; and (iii) profit tax paid in the amount of approximately HK$8.0 million. The net working capital outflow primarily consisted of an increase in inventories, decrease in trade and other payables, an increase in rental deposits and trade and other receivables. We cannot assure you that we will record positive operating cash flow in our growth stage. Our liquidity and our operations may be adversely affected by our negative operating cash flow. For details of the indebtedness and liquidity, financial resources and capital structure of our Group, please refer to the section headed ''Financial Information - Liquidity and Capital Resources'' in this prospectus.

Information technology system failures or breaches of our network security could interrupt our operations and adversely affect our business

We rely on our computer systems and network infrastructure across our operations to monitor the daily operations of our Retail Outlets and to collect accurate up-to-date financial and operating data for business analysis. Any damage or failure of our computer systems or network infrastructure that causes an interruption in our operations could have a material adverse effect on our business and results of operations.

We also receive and maintain certain personal information about our customers when accepting credit cards or smart cards for payment. If our network security is compromised and such information is stolen or obtained by unauthorised persons or used inappropriately, we may become subject to litigation or other proceedings brought by cardholders and financial institutions that issue cards. Any such proceedings could distract our management from running our business and cause us to incur significant unplanned losses and expenses. Consumer perception of our brands could also be negatively affected by these events, which could further adversely affect our business and results of operations.

Our planned expansion into new markets in the PRC may not be successful

We plan to open new Retail Outlets in certain regions in the PRC where we have little or no operating experience, including Shanghai, the PRC. The markets in the PRC which we target may have different business environments, competitive conditions, consumer preferences and discretionary spending patterns from our existing markets. As a result, any new Retail Outlets which we open in those markets may be less successful than Retail Outlets in our existing markets. Consumers in the new markets may not be familiar with our brand and we may need to build brand awareness in such markets. We may find it more difficult in new markets to hire, train and retain qualified employees who share our business philosophy and culture.

Retail Outlets to be opened in new markets may also have lower average sales or higher construction, occupancy or operating costs than those in our existing markets. Sales at Retail Outlets opened in new markets may take longer than expected to ramp up and reach, or may never reach, expected sales and profit levels. Any inability to replicate or successfully adapt our business model to local conditions may affect the profitability of these Retail Outlets. Any inability to execute our expansion plans for the PRC market could adversely affect our business, growth, financial position and results of operations.

If we are unable to manage our growth effectively, we may not be able to capitalise on new business opportunities and our business and results of operation may be materially and adversely affected

We have increased the number of our Retail Outlets from 82 as at 31 December 2010 to 102 as at 31 December 2012. We plan to continue to expand our operations by entering into new markets and increasing penetration of existing markets. Our expansion may place substantial demands on our management and our operational, technological, financial and other resources. Our planned expansion will also place significant demand on us to maintain consistent service quality across a larger retail network and preserve our corporate culture across a larger and more diverse employee base.

To manage and support our growth, we must improve our existing operational and administrative systems as well as our financial and management controls. Our continued growth also depends on our ability to recruit, train and retain additional qualified management personnel as well as other administrative, sales and marketing personnel, particularly as we expand into new markets. We need to continue managing our relationships with our suppliers and customers. All of these endeavors will require substantial management attention and efforts and significant additional expenditures. We cannot assure you that we will be able to manage any future growth effectively and efficiently. Any failure to do so may materially and adversely affect our ability to capitalise on new business opportunities, which in turn may have a material adverse effect on our business and results of operation.

We may be unable to detect, deter and prevent all instances of fraud or other misconduct committed by our employees, customers or other third parties

As a footwear retailer, we usually receive and handle large amounts of cash in our daily operations. We are not aware of any instances of fraud, theft and other misconduct involving employees, customers and other third parties that had any material adverse impact on our business and results of operations during the Track Record Period and up to the Latest Practicable Date. We cannot assure you that there will not be any such instances in future. We may be unable to prevent, detect or deter all instances of misconduct. Any misconduct committed against our interests, which may include past acts that have gone undetected or future acts, could subject us to financial losses, harm our reputation and may have a material adverse effect on our business and results of operations.

We are heavily dependent on our key executives and personnel

Our future success will depend to a large extent on the continued efforts of our Directors and senior management. There is no assurance that these key executives or personnel will not voluntarily terminate their employment with our Group. The loss of any of our key executives or personnel could be detrimental to the ongoing success of our operations. Our continued success will also depend on our ability to attract and retain qualified personnel in order to manage our existing operations as well as our future growth. We may not be able to successfully attract, assimilate or retain the personnel they need and this could negatively impact our ability to expand effectively.

Our business could be adversely affected by difficulties in employee recruiting and retention

Our success depends in part upon our ability to attract, retain and motivate a sufficient number of qualified employees. We may not be able to successfully recruit, motivate and retain a sufficient number of employees with necessary qualifications at commercially reasonable costs, or at all. Our failure to have and retain enough qualified employees could delay planned new openings of Retail Outlets, or result in higher employee turnover, either of which could have a material adverse effect on our business and results of operations.

Our insurance policies may not provide adequate coverage for all claims associated with our business operations

For more details on our insurance policies, please refer to the section headed ''Business — Insurance Coverage'' in this prospectus. There are types of losses we may incur that cannot be insured against or that we believe are not commercially reasonable to insure, such as loss of reputation. If we were held liable for uninsured losses or amounts and claims for insured losses exceeding the limits of our insurance coverage, our business and results of operations may be materially and adversely affected.

Our results of operations may fluctuate significantly from period to period due to seasonality and other factors

Our overall results of operations may fluctuate significantly from period to period because of various factors, including the timing of new Retail Outlet openings and the incurrence of associated pre-opening costs and expenses, operating costs for our newly opened Retail Outlets, any losses associated with our retail outlet closure and seasonal fluctuations. During the Track Record Period, we generally derived a higher amount of revenue during the summer seasons and certain holiday periods, such as the Chinese New Year holiday and Christmas holiday. Thus, our results of operations may fluctuate significantly from period to period and a comparison of different periods may not be meaningful. Our results for a given fiscal period are not necessarily indicative of results to be expected for any other fiscal period.

We are exposed to foreign exchange risks

Payments made by our Group for settlement of purchases with suppliers are made in Hong Kong dollars, RMB, Euros and US dollars. Payment made by local or overseas customers of our Group are made in Hong Kong dollars, MOP and NT$ according to the applicable exchange rate when settlement is to be made. We have not used and at present do not intend to use any derivative instruments in foreign currency to hedge the risk against foreign currency exchange fluctuations. Accordingly, we are exposed to exchange rate fluctuations and such exposure may adversely affect the financial position of our Group.

Our historical financial and operating results may not be indicative of future performance, and we may not be able to achieve and sustain the historical level of revenue and profitability

Our historical results may not be indicative of our future performance. Our financial and operating results may not meet the expectations of public market analysts or investors, which could cause the future price of the Shares to decline. Our revenue, expenses and operating results may vary from period to period in response to a variety of factors beyond our control. You should not rely on our historical results to predict the future performance of our Shares.

Our historical dividends may not be indicative of our future dividends

We declared dividends of HK$1.4 million, HK$7.7 million and nil for the three years ended 31 December 2012. We cannot assure you that we will declare or pay dividends in the future, and potential investors should be aware that the amount of dividends that were declared and paid in the past should not be used as a reference or basis upon which future dividends will be determined. The payment and the amount of any dividends will be at the discretion of our Directors and will depend upon our future operations and earnings, capital requirements and surplus, general financial condition, contractual restrictions and other factors which our Directors deem relevant.

Events that disrupt our operations, such as fires, floods, or other natural or man-made disasters, or beyond our control, may materially and adversely affect our business operations

Our operations are vulnerable to interruption by fires, floods, typhoons, power failures and power shortages, hardware and software failures, computer viruses, terrorist attacks and other events beyond our control. Our business is also dependent on prompt delivery and transportation of our footwear products. Certain events, such as adverse weather conditions, natural disasters, severe traffic accidents and delays and labour strikes, could also lead to delayed or lost deliveries of footwear products to the Retail Outlets. Such may result in the loss of revenue. Fires, floods, earthquakes and terrorist attacks may lead to evacuations and other disruptions in our operations. Any such event could materially and adversely affect our business operations and results of operations.

We may experience an adverse change in our financial results for the year ending 31 December 2013 which is attributable to the listing expenses incurred in relation to the Global Offering

The total amount of listing expenses is estimated to be approximately HK$19.1 million (based on the mid-point of our indicative Offer Price range), of which an amount of approximately HK$11.1 million is expected to be capitalised after the Listing. The remaining amount of approximately HK$8.0 million was or is expected to be charged to our income statement, of which approximately HK$3.1 million and HK$1.7 million, were charged for the year ended 31 December 2012 and the three months ended 31 March 2013 respectively, and approximately HK$3.2 million is expected to be charged for the three months ended 30 June 2013 (assuming the Listing takes place on or before 30 June 2013). Such amount of listing expenses is a current estimate for reference only, and the final amount is subject to adjustment based on audit and changes in variables and assumptions. Our Directors expect that we may experience an adverse change in our financial results for the year ending 31 December 2013 which is attributable to this significant non-recurring item of listing expenses incurred in relation to the Global Offering.

RISKS RELATING TO OUR INDUSTRY

Changes in consumer spending patterns could materially affect our growth and profitability

We operate in a cyclical industry in which changes on economic conditions affect the level of consumer spending on our products. Consumer spending patterns are affected by, among other factors, business conditions, interest rates, taxation, local economic conditions, uncertainties about future economic prospects and shifts in discretionary spending towards other goods and services. Consumer preferences and economic conditions may differ or change from time to time in each market in which we operate. We cannot guarantee that we will be able to maintain our historical rates of growth, or remain profitable, particularly if the retail environment is stagnant or declines. A recession in the general economy or uncertainties regarding future economic prospects could affect consumer spending habits and have a material adverse effect on our financial position and results of operations.

Increasing competition could result in pricing pressure and loss of market share

The footwear retail industry is highly competitive. Competition in this sector may increase because there are few barriers to entry. Our brands compete with local, national and global brands. Some of our competitors may have greater financial, marketing, management and other resources than we do. A number of different competitive factors could also have a material adverse effect on our results of operations.

We compete with other footwear retailers on the basis of variety and quality of our products, pricing of our products, and customer services we provide in connection with our product sales. We cannot assure you that our strategies will remain competitive or that they will continue to be successful in the future. Increasing competition could result in pricing pressure and loss of our market share, either of which could have a material adverse effect on our financial condition and results of operations.

RISKS RELATING TO HONG KONG

Minimum wage requirements in Hong Kong have further increased and impact our staff costs in the future

The salary level of employees in the retail industry in Hong Kong has been increasing in recent years. For the three years ended 31 December 2012, our staff costs amounted to approximately HK$60.9 million, HK$85.2 million and HK$82.2 million, respectively, representing approximately 16.6%, 18.0% and 16.3% of our total revenue during the respective years. Our operations in Hong Kong are required to comply with the statutory minimum wage requirements, which came into force on 1 May 2011. Since 1 May 2013, the statutory minimum wage rate increased from HK$28 per hour to HK$30 per hour. Our staff costs increase as a result of the higher statutory minimum wage rate in Hong Kong. Higher statutory minimum wage rate may increase competition for qualified employees, which may indirectly result in higher salaries of our employees. We may not be able to increase our prices enough to pass these increased staff costs onto our customers, in which case our business and results of operations would be materially and adversely affected.

The state of economy in Hong Kong may adversely affect our performance and financial condition

Hong Kong is our major market which accounted for approximately 90.4%, 78.3% and 77.9% of our revenue during the three years ended 31 December 2012. If Hong Kong experiences any adverse economic conditions due to events beyond our control, such as a local economic downturn, natural disasters, contagious disease outbreaks or terrorist attacks, or if the local authorities adopt regulations that place additional restrictions or burdens on us or on our industry in general, our overall business and results of operations may be materially and adversely affected.

Devaluation of the Hong Kong dollars could affect our financial conditions and results of operations

Since 17 October 1983, Hong Kong dollars have been pegged to the U.S. dollars at a rate of HK$7.80 to US$1.00. In the event that such arrangements shall change or the valuation of U.S. dollars shall become volatile in the international currency markets, valuation of Hong Kong dollars may be significantly affected or may even experience devaluation. At present, substantial part of our revenue is generated in the currency of Hong Kong dollars and part of our expenses and/or certain fitting-out materials imported from other countries is incurred in currencies other than Hong Kong dollars. In case of devaluation of Hong Kong dollars by whatever reason, our financial performance and liquidity positions may be adversely affected and our expenses incurred may drastically increase as a result.

RISK RELATING TO TAIWAN

Taiwan is susceptible to natural disasters that could disrupt the normal operations of our business and adversely affect earnings

We maintain a branch office in Taiwan. Taiwan is susceptible to earthquakes. In last decade, Taiwan experienced severe earthquakes that caused significant property damage and loss of life, particularly in the central part of Taiwan. These earthquakes caused damage to manufacturing facilities and adversely affected the operations of many companies. There is no assurance that future earthquakes will not occur and result in major damages to our facilities, which could have a material adverse effect on our results of operations and financial position.

Taiwan is also susceptible to typhoons, which may cause damage and business interruption to companies with facilities located in Taiwan. In last decade, Taiwan experienced severe damage from typhoons, including a typhoon that caused over 100 deaths, severe flooding and extensive damage to properties and businesses. There is no assurance that we will not suffer damage or business interruption due to typhoons, or that our results of operations or financial position will not be adversely affected as a result.

There are currency conversion and exchange rate risks associated with NT$

Under the Statute for Investment by Foreign Nationals of Taiwan, a qualified foreign investor may apply for exchange settlement in respect of the net interest and profits accrued on its investment through the licensed banks authorised to conduct foreign exchange transactions without the need for prior approvals from ROC Central Bank of China. However, under the Rules Regarding the Application of Outward Remittance, such foreign investors must make an application accompanied by other relevant documents to a licensed bank before effecting any foreign exchange transaction which exceeds NT$500,000. There is no assurance that the laws and regulations in Taiwan relating to currency conversion will remain unchanged. Any adverse change in the currency conversion policy or currency exchange rate of NT$ may adversely affect the profitability of our Group.

Changes in Taiwan's political and economic conditions could affect our business, financial position and results of operations

The performance of our Group may be affected by uncertainties such as changes in the government in Taiwan or its policies regarding investment, taxation and the restrictions on currency repatriation and other developments in the laws and regulations of Taiwan. Each of the government in Taiwan and the PRC claims to be the only legitimate government for Taiwan. There can be no guarantee that the PRC will not use forcible means, which it has refused to forego, to gain control of Taiwan. Our business in Taiwan may be affected by other political or diplomatic uncertainty or developments, social instability, inflation and other considerations.

RISK RELATING TO MACAU

Conducting business in Macau involves certain economic and political risks

Part of our business operations is in Macau. Conducting business in Macau involves certain risks, including risks relating to changes in Macau's and the PRC's political, economic and social conditions, changes in Macau governmental policies, changes in Macau laws or regulations or their interpretation, changes in exchange control regulations, potential restrictions on foreign investment and repatriation of capital, measures that may be introduced to control inflation, such as interest rate increases, and changes in the rates or method of taxation. In addition, our operations in Macau are exposed to the risk of changes in laws and policies that govern operations of Macau-based companies.

Our business could be affected by the limitations of the MOP exchange market

Part of our revenue from Macau is denominated in MOP, the lawful currency of Macau. We cannot assure you that the MOP will continue to be freely exchangeable into Hong Kong dollars. As the currency market for MOP is relatively small and undeveloped, our ability to convert large amounts of MOP into Hong Kong dollars over a relatively short period may be limited. Thus, we may experience difficulty in converting MOP into Hong Kong dollars.

RISKS RELATING TO THE GLOBAL OFFERING

There has been no prior public market for the Shares and the liquidity and market price of the Shares may be volatile

Prior to the Global Offering, no public market for the Shares existed. We have made an application to the Stock Exchange for the listing and trading of the Shares. There is no assurance that the Listing will result in the development of an active, liquid public trading market for the Shares after the Global Offering. In addition, the price and trading volume of the Shares may be volatile since factors such as variations in our Group's revenues, earnings and cash flows or any other developments, whether due to seasonal sales fluctuations or for any other reasons, may affect the volume and price at which the Shares will be traded.

Current volatility in the global financial markets could cause significant fluctuations in the price of the Shares

Financial markets around the world have been experiencing heightened volatility since 2008. Upon the Listing, the price and trading volume of the Shares may be subject to similar market fluctuations which may be unrelated to our operating performance or prospects. Factors that may significantly impact the volatility of our stock price include:

- developments in our business or in the financial sector generally, including the effect of direct governmental actions in the financial markets;
- the operating and share price performance of companies that investors consider to be comparable to us;
- announcements of strategic developments, acquisitions and other material events by us or our competitors; and
- changes in global financial markets, global economies and general market conditions, such as interest or foreign exchange rates as well as stock and commodity valuations and volatility.

As a result of these market fluctuations, the price of the Shares may decline significantly, and you may lose a significant part of your investment.

Future issues, offers or sale of Shares may adversely affect the prevailing market price of the Shares

Future issues of securities by our Company or the disposal of Shares by any of the Controlling Shareholders or the perception that such issues or sale may occur, may negatively impact the prevailing market price of the Shares. The Shares held by the Controlling Shareholders are subject to certain lock-up undertakings for periods commencing on the date of this prospectus and up to 12 months after the Listing Date. We cannot give any assurance that the Controlling Shareholders will not dispose of their Shares in the future.

Certain facts and statistics from official sources contained in this prospectus have come from third party publications and publicly available sources whose reliability cannot be assumed or assured

This prospectus contains information and statistics that are derived from various publicly available official government and other publications and generally believed to be reliable. We cannot guarantee the quality and reliability of these publications. Whilst our Directors and the Sole Sponsor have taken reasonable care to ensure that such facts and statistics in this prospectus are accurately reproduced, these facts and statistics have not been independently verified by us. Our Company, the Sole Sponsor, the Sole Global Coordinator, the Underwriters, their respective directors and advisers or any other parties involved in the Global Offering do not make any representation as to the accuracy of such facts and statistics, which may not be consistent with other information and may not be complete or up-to-date. Due to possibly flawed or ineffective collection methods or discrepancies between published information and market practice and other problems, the facts and statistics in this prospectus may be inaccurate or may not be comparable from period to period to facts and statistics produced for other economies and should not be unduly relied upon. Furthermore, we cannot assure you that they are stated or compiled on the same basis or with the same degree of accuracy as may be the case elsewhere.

Investors may experience difficulties in enforcing their shareholder rights because our Company was incorporated in the Cayman Islands, and the laws of the Cayman Islands relating to the protection of the interests of minority Shareholders may be different from those in Hong Kong or other jurisdictions

Our Company was incorporated in the Cayman Islands and its affairs are governed by the Articles, the Companies Law and common law applicable in the Cayman Islands. The laws of the Cayman Islands may differ from those of Hong Kong or other jurisdictions where investors may be located. Minority Shareholders may not enjoy the same rights as pursuant to the laws of Hong Kong or such other jurisdictions. Please refer to Appendix IV to this prospectus.

You will experience immediate dilution and may experience further dilution if we issue additional Shares in the future

We may need to raise additional funds in the future to finance our future plans, whether in relation to existing operations, expanding points of sale or otherwise. If additional funds are raised through the issuance of our new equity or equity-linked securities other than on a pro rata basis to existing Shareholders, then (i) the percentage ownership of our existing Shareholders may be reduced, and/or (ii) such newly issued securities may have rights, preferences or privileges superior to those of the Shares of the existing Shareholders.

Purchasers of Offer Shares may incur an immediate and substantial dilution in net tangible book value per Share as a result of the Global Offering

The Offer Price of the Offer Shares is substantially higher than the net tangible book value per Share. Therefore, purchasers of the Offer Shares in the Global Offering may experience an immediate and substantial dilution in net tangible book value per Share as a result of the Global Offering.