

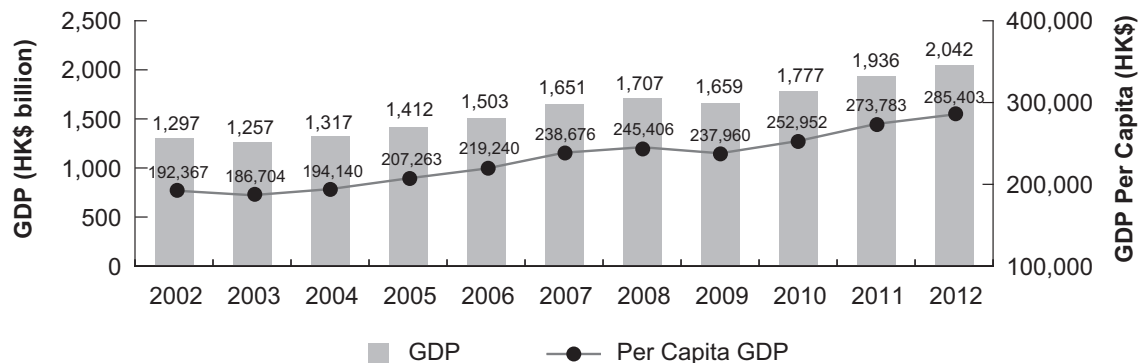
INDUSTRY OVERVIEW

Certain information and statistics relating to our industry provided in this section have been derived from official government sources. In addition, this section and elsewhere in the prospectus contains information extracted from a report, acquired from Euromonitor, for the purposes of this prospectus. We believe that the sources of this information are appropriate sources for such information and we have taken reasonable care in extracting and reproducing such information. We have no reason to believe that such information is materially false or misleading, and no fact has been omitted that would render such information materially false or misleading. The information has not been independently verified by us, the Sole Sponsor, the Sole Global Coordinator, the Underwriters, or any of their respective directors, employees, agents or advisers or any other person or party involved in the Global Offering and no representation is given as to its accuracy, other than Euromonitor with respect to the information contained in the Euromonitor Report.

HONG KONG

Overview of Hong Kong Economy

In the past decade from 2002 to 2012, the Hong Kong GDP grew at a CAGR of approximately 4.6%. GDP per capita grew at a CAGR of approximately 4.0%, from approximately HK\$192,367 in 2002 to approximately HK\$285,403 in 2012, which was the highest for the past eleven years. Meanwhile the unemployment rates in Hong Kong maintained at a rate of approximately 3.3% in 2012. The following table and chart illustrate the growth trend of GDP and GDP per capita in Hong Kong for the years 2002 to 2012.

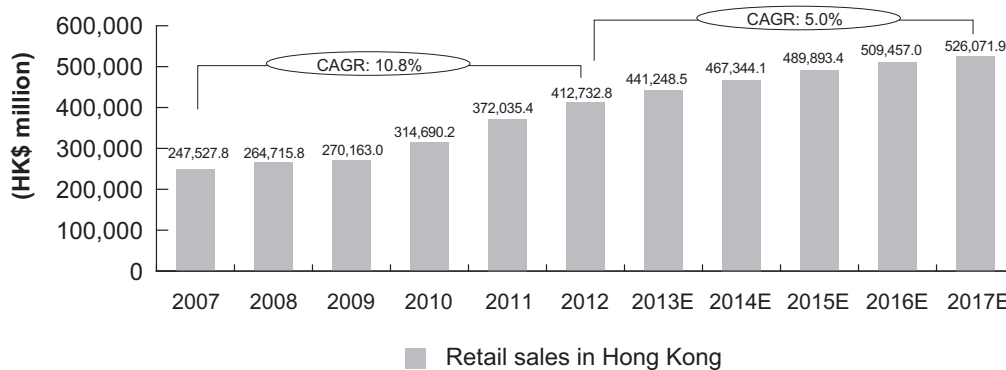


Source: Census and Statistics Department of the Government of Hong Kong

INDUSTRY OVERVIEW

Retail Sales in Hong Kong

According to Euromonitor, the retail sales is expected to rise by a CAGR of approximately 5.0%, from approximately HK\$412.7 billion in 2012 to approximately HK\$526.1 billion in 2017. In the long term, while the level of inflation may impact domestic consumption, the retail industry expects the continued strong support from mainland Chinese tourists, despite the central government's plan to cut inbound local tariffs on luxury goods. Hong Kong shall retain its competitive edge attributed by a sales tax free retail environment, quality and creditable goods and services, and strong purchasing power of RMB supported by the favorable exchange rate, according to Euromonitor.



Source: Euromonitor

Note: Historical CAGR and forecast CAGR are calculated on the basis of current value growth and constant value growth in local currency, respectively.

Strong Tourist Spending as a Driver of Growth

According to the Hong Kong Tourism Board, Hong Kong received a record-high of 42 million visitors from around the world in 2011, a remarkable increase of approximately 16.4% over 2010. Furthermore, the total overnight visitor spending in Hong Kong reached approximately HK\$166.7 billion in 2011 increased by approximately HK\$31.6 billion or approximately 23.4% from 2010. According to the Hong Kong Tourism Board, the five most popular shopping items among overnight visitors in 2011 were:

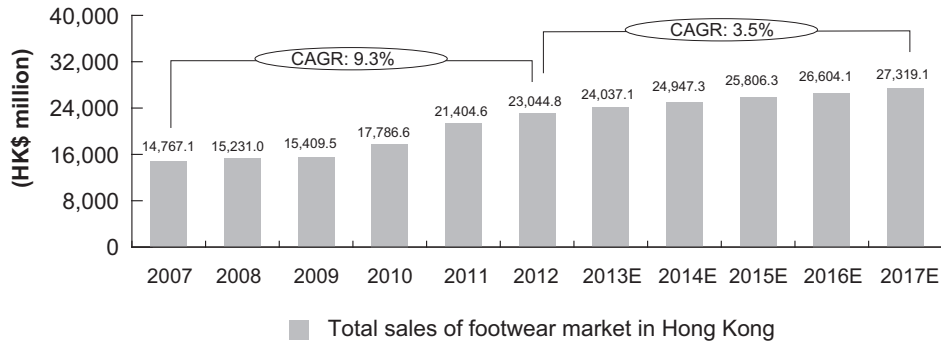
| Shopping Items | Percentage of Visitors |
|------------------------|------------------------|
| Ready-made Wear | 46% |
| Cosmetics | 29% |
| Snacks/Confectioneries | 28% |
| Shoes/Other Footwear | 21% |
| Handbag/Wallets/Belts | 17% |

INDUSTRY OVERVIEW

Analysis of Hong Kong Footwear Market

Overview

According to Euromonitor, the total footwear sales in Hong Kong is expected to grow steadily from approximately HK\$23.0 billion in 2012 to approximately HK\$27.3 billion in 2017; at a CAGR of approximately 3.5%. The following chart shows the historical and forecast footwear sales in Hong Kong from 2007 to 2017.

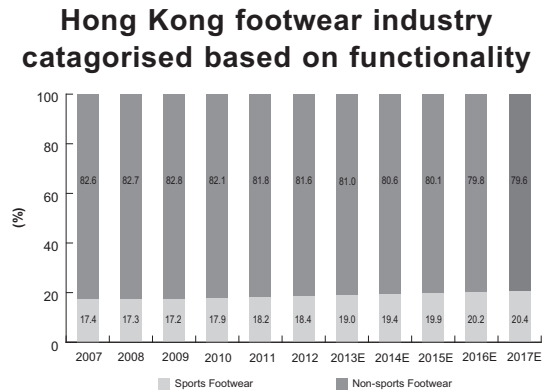
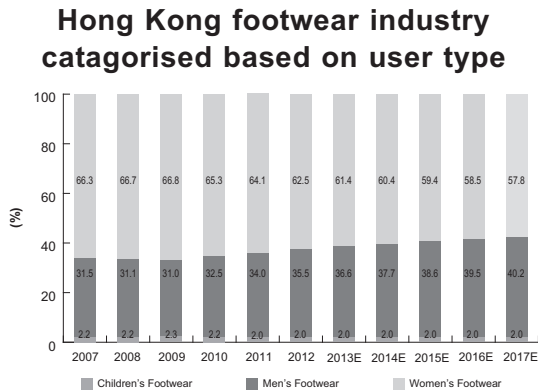


Source: Euromonitor

Note: Historical CAGR and forecast CAGR are calculated on the basis of current value growth and constant value growth in local currency, respectively.

Stable Growing Footwear Market

According to Euromonitor, the footwear industry in Hong Kong can be categorised based on user type, namely children’s footwear, men’s footwear and women’s footwear, as well as functionality, namely sports footwear and non-sports footwear. The following charts illustrate the historical and forecast segment structure of Hong Kong’s footwear market from 2007 to 2017, by user types and functionality.



Source: Euromonitor

INDUSTRY OVERVIEW

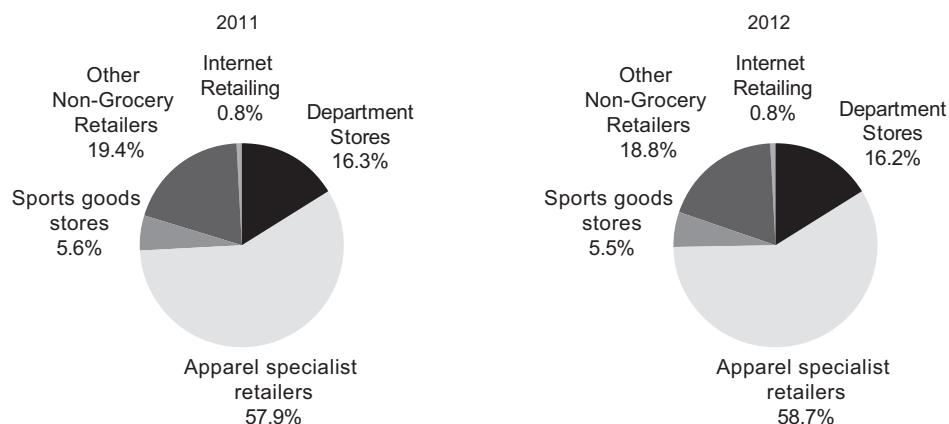
In terms of growth in sales value based on user type, men's footwear achieved a CAGR of approximately 12.0% from 2007 to 2012, accounting for approximately 35.5% of overall footwear sales in 2012. Furthermore, women's footwear achieved a CAGR of approximately 8.0% from 2007 to 2012, accounting for approximately 62.5% of overall footwear sales in 2012. According to Euromonitor, footwear for men and women exhibited steady growth potential over the coming five years, with a forecast CAGR of approximately 6.1% and 1.9% from 2012 to 2017, accounting for approximately 40.2% and 57.8% of overall footwear sales in 2017, respectively.

In terms of growth in sales value based on functionality, sports footwear achieved a CAGR of approximately 10.6% from 2007 to 2012, accounting for approximately 18.4% of overall footwear sales in 2012. Furthermore, non-sports footwear achieved a CAGR of approximately 9.0% from 2007 to 2012, accounting for approximately 81.6% of overall footwear sales in 2012. Sports and non-sports footwear exhibited steady growth potential over the coming five years, with a forecast CAGR of approximately 5.6% and 3.0% from 2012 to 2017, accounting for approximately 20.4% and 79.6% of overall footwear sales in 2017, respectively.

According to Euromonitor, in terms of user type, men's footwear is likely to post the strongest value growth over the forecast period, with men becoming increasingly image-conscious and thus willing to invest in various footwear design and colour, in order to match their different outfits.

Hong Kong Footwear Market by Distribution Channels

As the major distribution channels for footwear, apparel specialist retailers and department stores jointly represented over 74.9% of the total retail sales in 2012. Apparel specialist retailers have taken the lead in the Hong Kong footwear retail market, accounting for approximately 58.7% of the total sales in 2012 and representing the fastest growth among all retail channels. Department stores are the second important distribution channel for footwear, accounting for approximately 16.2% of the total sales revenue in 2012. The charts below shows the sales contribution by key retail channels for footwear in 2011 and 2012.



Source: Euromonitor

INDUSTRY OVERVIEW

Key Drivers of Hong Kong Footwear Market

According to Euromonitor, in 2012, footwear recorded a current value growth of 7.7%, reaching HK\$23.0 billion. Local consumers spent less on footwear, yet mainland consumers remained willing to spend on high quality footwear in Hong Kong, according to trade sources. This mitigated the slowdown in growth in footwear sales.

Growing popularity of premium leather footwear

According to Euromonitor, in 2012, premium leather footwear was growing in popularity in Hong Kong. Both men and women increasingly sought out good quality genuine leather shoes for the comfort offered.

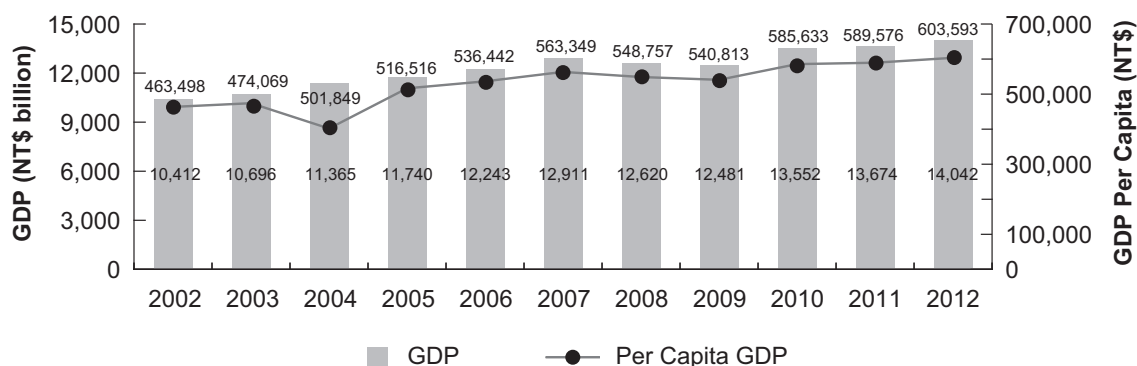
Image-conscious consumers

According to Euromonitor, men's footwear is expected to continue to lead both volume and value growth over the forecast period. Men are expected to become increasingly fashion-conscious over the forecast period, a trend that has emerged over the review period in Hong Kong. They are likely to buy more footwear to match the different outfits that they have. At the same time, more options are expected to become available for men over the forecast period, where footwear is concerned.

TAIWAN

Overview of Taiwan Economy

From 2002 to 2012, Taiwan's GDP grew at a CAGR of approximately 3.0%, whereas the annual GDP per capita grew at a CAGR of approximately 2.7%. Taiwan finally opened its doors to independent Mainland Chinese tourists in June 2011. This move came after the initial decision to allow group tourists from China to visit Taiwan in 2008 and was made in a bid to simulate Taiwan's economy. The following chart illustrates the historical growth in GDP and GDP per capita in Taiwan from 2002 to 2012.

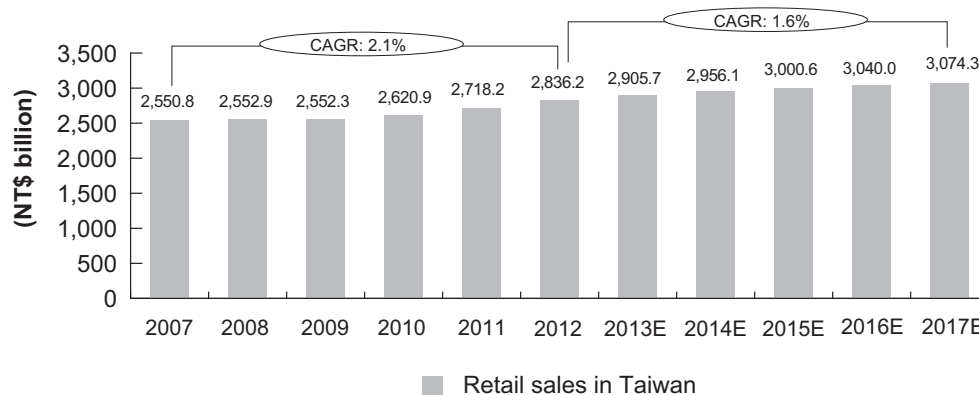


Source: Directorate-General of Budget, Accounting and Statistics, Executive Yuan, R.O.C. (Taiwan)

INDUSTRY OVERVIEW

Retail Sales in Taiwan

According to Euromonitor, the retail sales is expected to rise by a CAGR of approximately 1.6%, from NT\$2,836.2 billion in 2012 to NT\$3,074.3 billion in 2017. According to Euromonitor, as a result of unstable economic conditions expected in the short term, the influx of mainland Chinese tourists will help boost Taiwan's economy, especially with the high purchasing power of such tourists. The following table and chart illustrate the growth trend of retail market in Taiwan for the years 2007 to 2012 and projected growth from 2012 to 2017.



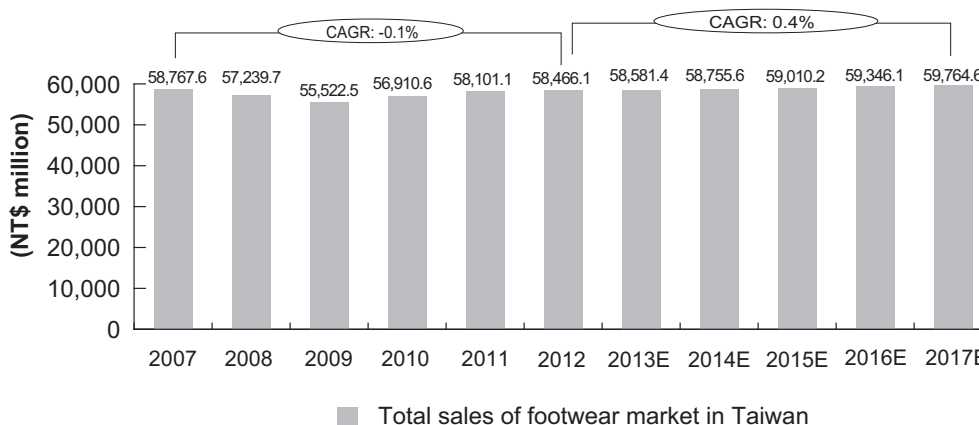
Source: Euromonitor

Note: Historical CAGR and forecast CAGR are calculated on the basis of current value growth and constant value growth in local currency, respectively.

Analysis of Taiwan Footwear Market

Overview

According to Euromonitor, footwear sales grew from approximately NT\$58.1 billion in 2011 to approximately NT\$58.5 billion in 2012, represented a growth rate of approximately 0.6%. Footwear is predicted to experience a positive CAGR of approximately 0.4% from 2012 to 2017. The following chart illustrates the growth trend of footwear market in Taiwan for the years 2007 to 2012 and projected growth from 2012 to 2017.



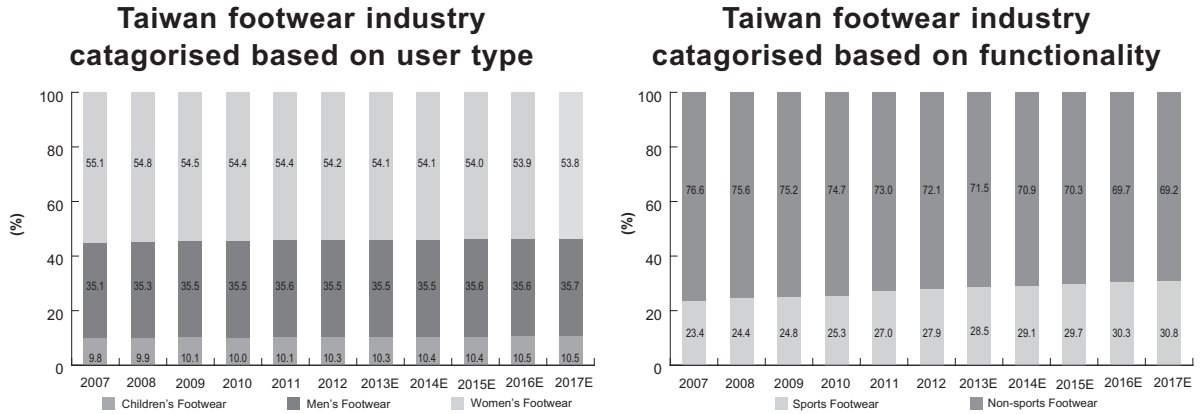
Source: Euromonitor

Note: Historical CAGR and forecast CAGR are calculated on the basis of current value growth and constant value growth in local currency, respectively.

INDUSTRY OVERVIEW

Stable Growth in Men's Footwear Market Share

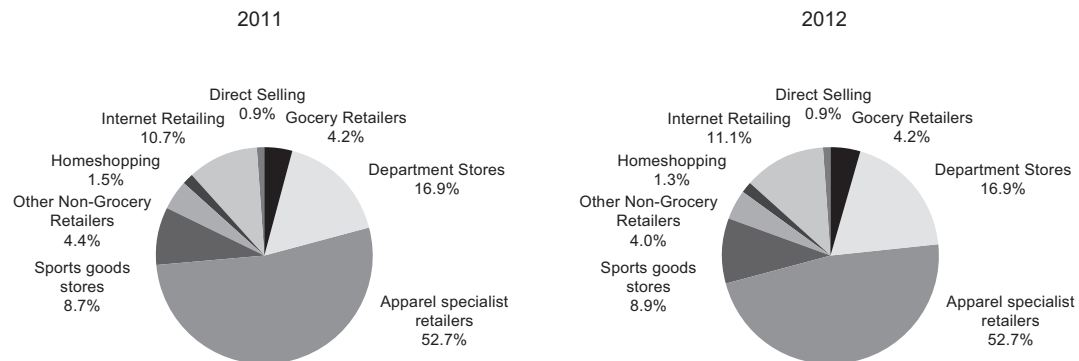
According to Euromonitor, the footwear industry in Taiwan can be categorised based on user type, namely, children's footwear, men's footwear, and women's footwear, as well as based on functionality, namely sports footwear and non-sports footwear. Men's footwear market share is expected to produce better performance, because it is expected to see stable demand. Forecast performance for men's footwear is less influenced by the economic situation. The following charts illustrate the historical and forecast segment structure of Taiwan's footwear market from 2007 to 2017.



Source: Euromonitor

Taiwan Footwear Market by Distribution Channels

According to Euromonitor, as the major distribution channels for footwear, apparel specialist retailers and department stores jointly represented over 69.6% of the total retail sales in 2012. Apparel specialist retailers dominated the channel distribution of Taiwan footwear retail market, accounting for approximately 52.7% of the total sales in 2012. Department stores are the second important distribution channel for footwear, accounting for approximately 16.9% of the total sales revenue in 2012. The charts below shows the sales contribution by key retail channels for footwear in 2011 and 2012.



Source: Euromonitor

Key Drivers of Taiwan Footwear Market

According to Euromonitor, footwear is estimated to see only marginal increase in constant value CAGR over the forecast period. However, strengthening consumer confidence, and increasing interest as well as developments in fast fashion trends over the forecast period are expected to encourage consumers to increase their frequency of purchase of footwear to keep up with on-going fashion trends. Hence, both volume and constant value CAGR over the forecast period are expected to be higher than the review period.

Children's footwear expected to be the fastest growing

According to Euromonitor, children's footwear is expected to be the fastest growing over the forecast period. High birth rates in 2011 and 2012 will create higher demand for children's footwear as they outgrow their footwear quickly. As they grow older, they will start to need footwear for different purposes such as sports, school, parties and casual wear.

Demand for quality footwear

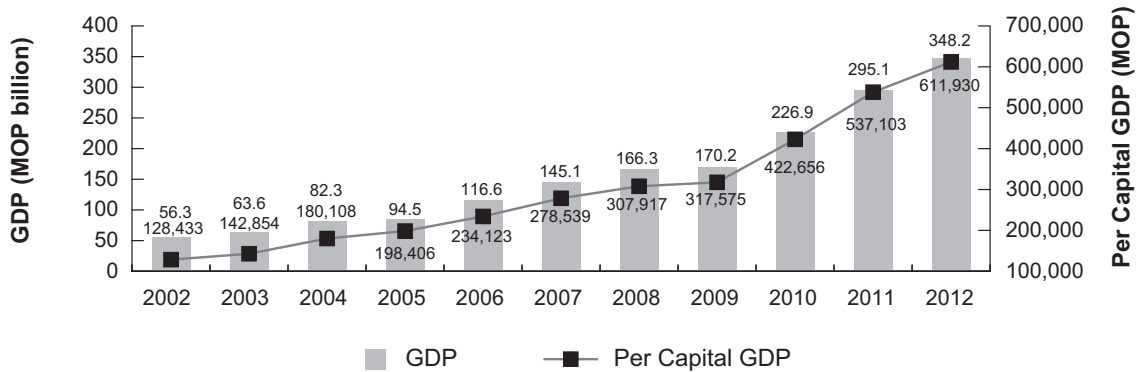
According to Euromonitor, during the forecast period, it is anticipated that there will be increased demand for good quality footwear amongst the aging Taiwan's baby boomers consumer segment. Older consumers typically have higher disposable incomes and are health-conscious. Therefore, they will be more willing to spend on good quality footwear as long as they are able to provide adequate comfort and support for their aging limbs. Older consumers are also usually more brand-loyal and value function and quality over the aesthetics of their footwear.

INDUSTRY OVERVIEW

MACAU

Overview of Macau Economy

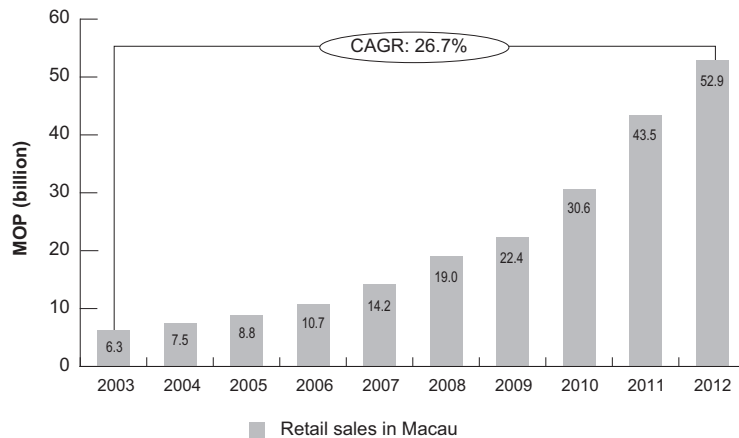
After opening up its locally-controlled casino industry to foreign competition in 2001, the territory attracted tens of billions of dollars in foreign investment, transforming Macau into one of the world's largest gaming centers. From 2002 to 2012, the Macau GDP and GDP per capita grew significantly at a CAGR of approximately 20.0% and approximately 16.9%, respectively. The chart below shows the growth in GDP and GDP per capita in Macau from 2002 to 2012.



Source: Statistics and Census Service of Government of Macao Special Administrative Region

Encouraging Retail Market in Macau

Boosted by the economy of Macau greatly, in particular to the gaming and tourism business, the total retail market in Macau increased remarkably from approximately MOP6.3 billion in 2003 to approximately MOP52.9 billion in 2012 with a CAGR of approximately 26.7%. The following chart illustrates the historical data of the wholesale and retail trades of Macau from 2003 to 2012.

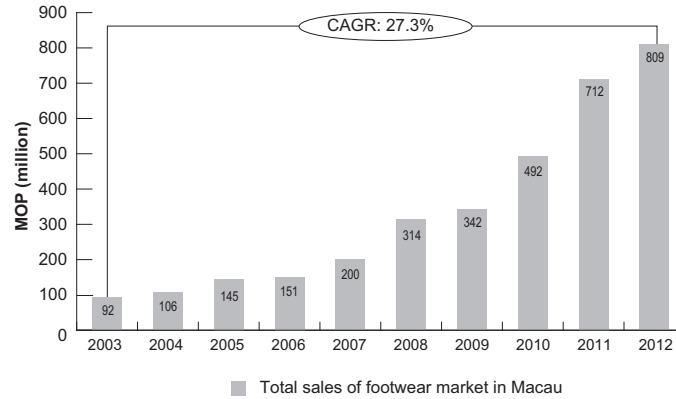


Source: Statistics and Census Service of Government of Macao Special Administrative Region

INDUSTRY OVERVIEW

Analysis of Macau Footwear Market

According to Statistics and Census Service of Government of Macao Special Administrative Region, the total footwear sales in Macau grew from approximately MOP92 million in 2003 to approximately MOP809 million in 2012; at a CAGR of approximately 27.3%. The following chart shows the historical footwear sales in Macau from 2003 to 2012.

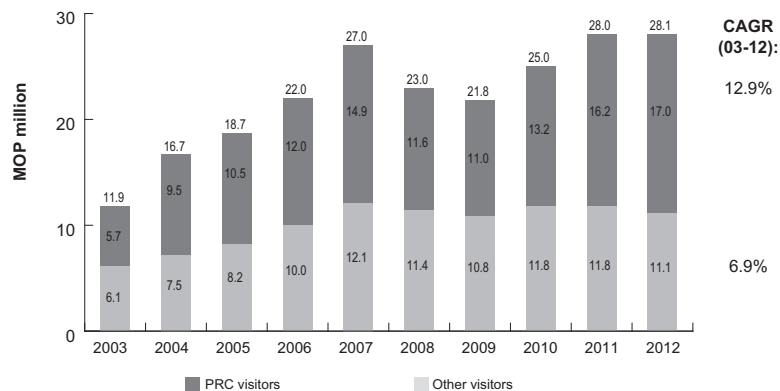


Source: Statistics and Census Service of Government of Macao Special Administrative Region

Key Drivers of the Macau Footwear Market

Positive impact of visitors from China

According to Macau Public Security Police, the total visitor arrivals by place of residence soared from approximately 11.9 million in 2003 to a record high of approximately 28.1 million in 2012, of which Mainland China was the major source of visitors with more than 50% share of the total. In terms of the total per capita spending of visitors (excluding gaming expenses), mainland Chinese visitor spent approximately MOP2,048, which exceeded the average spending per visitor by approximately 26.5%, according to the Statistics and Census Service of Government of Macao Special Administrative Region. The following chart illustrates the total visitor arrivals in Macau and the total visitor arrivals from Mainland China in Macau from 2003 to 2012.



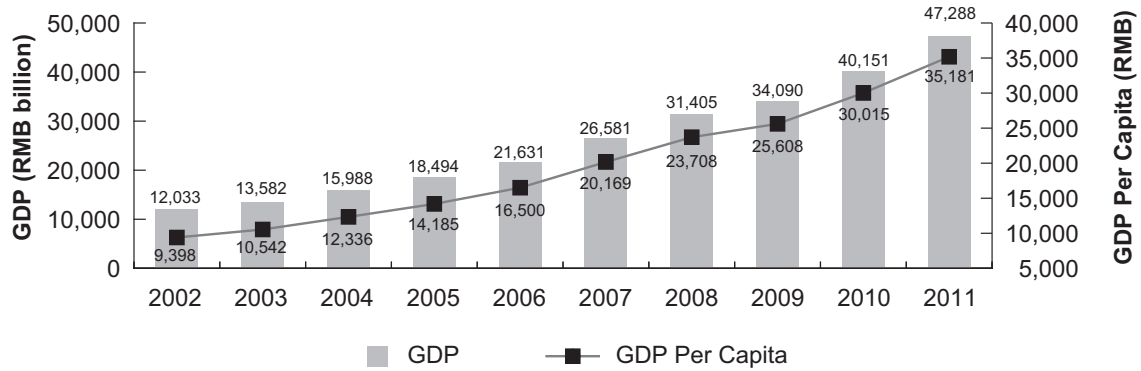
Source: Statistics and Census Service of Government of Macao Special Administrative Region

INDUSTRY OVERVIEW

THE PRC

Overview of the PRC Economy

The economy in the PRC has continued to grow since economic reform was introduced in 1978. According to the National Bureau of Statistics of China, from 2002 to 2011, the annual GDP and annual GDP per capita of the PRC soared at CAGR of approximately 16.4% and approximately 15.8%, respectively. The following chart shows the growth in GDP and GDP per capita in the PRC from 2002 to 2011.

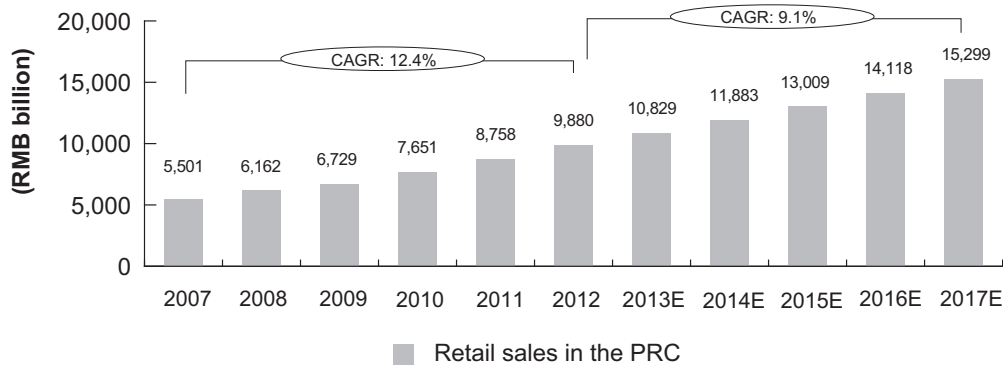


Source: China Statistical Year Book 2012

INDUSTRY OVERVIEW

Fast Growing Retail Sales in the PRC

According to Euromonitor, the retail sales is expected to rise by a CAGR of approximately 9.1%, from RMB9,879.8 billion in 2012 to RMB15,299.2 billion in 2017. According to Euromonitor, the continuous recovery of the economy and increasing household incomes laid solid foundations for the buoyant development of retailing. The following chart illustrates the growth trend of retail market in the PRC for the years 2007 to 2012 and projected growth from 2012 to 2017.

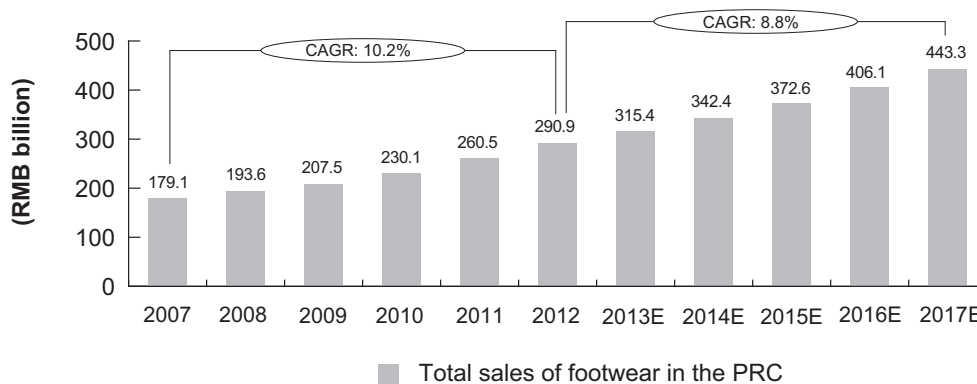


Source: Euromonitor

Note: Historical CAGR and forecast CAGR are calculated on the basis of current value growth and constant value growth in local currency, respectively.

Robust PRC Footwear Market

According to Euromonitor, footwear sales grew from approximately RMB260.5 billion in 2011 to approximately RMB290.9 billion in 2012, represented a growth rate of approximately 11.7%. Footwear sales is expected to rise by a positive CAGR of approximately 8.8%, from RMB290.9 billion in 2012 to RMB443.3 billion in 2017. The following chart illustrates the growth trend of footwear market in the PRC for the years 2007 to 2012 and projected growth from 2012 to 2017.



Source: Euromonitor

Note: Historical CAGR and forecast CAGR are calculated on the basis of current value growth and constant value growth in local currency, respectively.

INDUSTRY OVERVIEW

Key Drivers of the PRC Footwear Market

Strong economic growth, fast growing retail and footwear market

According to Euromonitor, retailing in China is expected to see continue dynamic growth momentum, thanks to rising disposable incomes. Furthermore, according to the National Bureau of Statistics of China, per capita annual consumption expenditure of urban households on apparel and footwear increased from approximately RMB591 in 2002 to approximately RMB1,675 in 2011, increased at a CAGR of 12.3%.

COMPETITIVE ANALYSIS

Competitive Landscape

The footwear market in Hong Kong, Taiwan, Macau and the PRC is highly competitive and fragmented with an array of players, including designers, marketers, manufacturers and retailers, all vying for share, according to the Directors. The Group's Hong Kong, Taiwan and Macau revenue represented less than 3% in each of the respective footwear market during the Track Record Period. Our business model is very specific and unique because (i) we are a wholesaler and retailer of lifestyle comfort footwear products of international brands; and (ii) our Retail Outlets are operated under two sales concepts (a) multi-branded Retail Outlets; and (b) specialty Retail Outlets. Given our multi-dimensional business model coupled with a fragmented competitive landscape of the footwear market in nature, there is no meaningful and specific statistics on market shares of a particular player who is directly comparable to our business model readily available.

Barriers to Entry of the Footwear Market

Capital requirements

Barriers to entry for international lifestyle comfort footwear brands in Hong Kong, Taiwan, Macau and the PRC are high and are mainly related to the time and capital investment required to build and penetrate a brand into the highly competitive markets, according to our Directors. Regardless whether the business is handled by distributors or self operation, substantial capital has to be invested including rental for office, warehouse and stores and remuneration for office and retail staff. In addition, huge investments are also required for brand positioning and continuous timely refurbishment of brand's retail network which are strategically important means to convey the desired brand image and maintain customer loyalty.

Retail network requirements

Lack of an established distribution network presents another barrier to entry for potential players as is intense competition for prime locations for retail and wholesale outlets. Relationship with property developers, local landlords and department stores are

INDUSTRY OVERVIEW

of paramount importance. Local footwear distributors with extensive retail networks will be of great benefit to potential players for obtaining better locations or area in the street, shopping malls or department stores.

Future Opportunities and Challenges of the Footwear Market

Prospects

Hong Kong

According to Euromonitor, over the forecast period, footwear in Hong Kong is expected to post a constant value CAGR of less than 4%. In volume terms, the forecast period CAGR is less than half that of the 7% achieved over the review period. This is largely attributable to the slower projections for women's footwear, the largest contributor to footwear sales in Hong Kong and hence, the most developed and matured.

According to Euromonitor, men's footwear is expected to continue to lead both volume and value growth over the forecast period. Men are expected to become increasingly fashion-conscious over the forecast period, a trend that has emerged over the review period in Hong Kong. They are likely to buy more footwear to match the different outfits that they have. At the same time, more options are expected to become available for men over the forecast period, where footwear is concerned.

Unit prices are expected to decline over the forecast period for both men's footwear and children's footwear. Women's footwear, on the other hand, is expected to see value growth being slightly higher than volume growth in the 2012 to 2017 period.

Prices are expected to inch up slightly as female shoppers become more discerning at the same time and opt for better quality, pricier shoes alongside cheaper ones.

Taiwan

According to Euromonitor, during the forecast period, it is anticipated that there will be increased demand for good quality footwear amongst the aging Taiwan's baby boomers consumer segment. Older consumers typically have higher disposable incomes and are health-conscious. Therefore, they will be more willing to spend on good quality footwear as long as they are able to provide adequate comfort and support for their aging limbs. Older consumers are also usually more brand-loyal and value function and quality over the aesthetics of their footwear.

Men's footwear is forecasted to register a constant value CAGR of 0.5% over the forecast period. Since men generally purchase footwear as a necessity, their purchases are less dependent on the economy and therefore, create a stable demand for men's footwear. They are also more brand-loyal and are more willing to spend on quality footwear that does not need frequent replacing.

INDUSTRY OVERVIEW

The PRC

According to Euromonitor, as a result of rising disposable incomes the PRC is expected to see dynamic growth momentum in the retailing industry continuously. According to the National Bureau of Statistics of China, per capita annual consumption expenditure of urban households on apparel and footwear increased from approximately RMB591 in 2002 to approximately RMB1,675 in 2011, increased at a significant CAGR of approximately 12.3%. According to Euromonitor, the retail sales are expected to rise by a CAGR of approximately 9.1% from 2012 to 2017.

Threats

Our Directors are of the view that our established retail and wholesale network of marketing international brands of lifestyle comfort footwear products, enables our Group to target a specific group of customers — functional yet comfortable footwear products buyers. This is both our Group's competitive advantage as well as its disadvantage. Our Group targets a niche market of specific consumers who the Directors believe, is one of the growing market segment but it does not reach the mass market audience like sports footwear.

Competitive Advantage

Our Directors believe that the competition in the footwear market is based upon various factors including the ability to select and market the branded footwear products, customer service and management.

According to our Directors, high brand awareness can provide confidence to consumers. To boost sales (partly through our expansion in the PRC) and increase customer loyalty, our licensed brands are building brand awareness and reputation via our established footwear distribution network in Hong Kong, Taiwan and Macau. Our ability to select and market our branded footwear products to our customers is one of our ingredients for success. Moreover, with the intense competition, not only are the products themselves becoming more important, the overall customer experience and thus quality customer service is becoming increasingly important. Furthermore, we have an experienced management team led by Mr. Chu, our Vice Chairman and executive Director, who has over 38 years of experience in the footwear industry and possesses extensive management and operating experience and expertise in trading and footwear retail and wholesale business. We believe that our management team's in-depth knowledge of the footwear industry can enable us to respond efficiently to various challenges from the changing market conditions. As a consequence, by leveraging our competitive strengths, we believe we are well positioned to continue to deal with the intense competition. Please refer to the section headed "Business — Competitive Strengths" in this prospectus.

INDUSTRY OVERVIEW

EUROMONITOR REPORTS

Euromonitor International (Asia) Pte Ltd., is an Independent Third Party and an independent market research firm with more than 25 years' of industry experience in conducting trade research and detailed local market analysis. A total amount of US\$6,200 was paid to Euromonitor for the reports.

The reports from Euromonitor cover various topics including: (i) demographic and socio-economic indicators in Hong Kong, Taiwan and the PRC that are relevant to the footwear market; (ii) the overall environment of the footwear industry in Hong Kong, Taiwan and the PRC, including industry structure, market size and future outlook; (iii) the Hong Kong and Taiwan footwear segment, including market sizing, competitor analysis and market share estimation and (iv) data on the footwear market in Hong Kong, Taiwan and the PRC. The methodology used by Euromonitor for its reports account for both primary and secondary research in the markets of Hong Kong, Taiwan and the PRC, supplemented with market/strategic overview analysis reconciling data and qualitative and anecdotal information gained from sources inside the industry. Primary research involves trade interviews with key industry players such as footwear retail store managers, sales and marketing team of footwear brands and trade associations. Secondary research involves an assessment of relevant background information publicly available through sources such as websites and trade reports of footwear brands, retailers, national statistics, annual reports, business and mainstream press, fashion media and any other publicly available, relevant sources. Such information is cross-referenced with any available Euromonitor's internal data and expertise.

Forecasts for the market were determined via an aggregation of opinions and facts gathered during Euromonitor's trade interviews with footwear retail store managers, sales and marketing team of footwear brands and trade associations. These sources were interviewed and asked about their opinion of the market trends going into the forecast period. Euromonitor confirms that it has carried out research as per Euromonitor's standard trade research methodology. Euromonitor is of the opinion that trade interviews with the industry is the closest measure and best estimate of how the footwear market is expected to perform in the forecast period based on historic as well as current trends.

The scope of work for the studies from Euromonitor covers Hong Kong, Taiwan and the PRC.