This summary aims to give you an overview of the information contained in this prospectus. As this is a summary, it does not contain all the information that may be important to you. You should read the whole document before you decide to invest in the Shares.

There are risks associated with any investment. Some of the particular risks in investing in the Shares are summarised in the section headed "Risk factors". You should read that section carefully before you decide to invest in the Shares.

BUSINESS OVERVIEW

The Group is well-established as a trend setter in the fashion apparel retail market in Hong Kong. Through its multi-layer and multi-brand business model, the Group offers a range of apparel products with different fashion influences, sold at varying retail sales prices and targeted at different customer groups. Its stores carry apparel from established and up-and-coming international brands, in-house brands and, increasingly, licensed brands. These international brands include *Tsumori Chisato*, *A.P.C.*, *Helmut Lang* and *as know as de base*. In-house brands include *http://www.izzue.com* and *b+ab*. Its licensed brands include *Arnold Palmer* and *i.t loves mickey*. In addition, the Group began establishing *FCUK* stores in Hong Kong pursuant to a corporate partnership with French Connection in November 2003.

The Group sells its products through its network of retail stores, each designed to project a sophisticated and contemporary atmosphere. These stores comprise of multi-brand stores (including *I.T*, *i.t*, *ETE* and *double-park*, where the stores retail a number of brands) and single brand stores (where the stores retail only a single in-house brand, licensed brand or international brand). After opening its first store over 16 years ago, as at 31 January 2005, the Group had established an extensive retail network of 95 free-standing stores, 30 store-in-stores and four concessions, in Hong Kong. In the PRC, as at 31 January 2005, the joint venture, GSIT, operated 23 concessions and sold apparel to 56 franchisee-owned free-standing stores and 10 franchisee-owned store-in-stores. In Taiwan, as at 31 January 2005, another joint venture had opened one free-standing store, two store-in-stores and nine concessions. In Malaysia, as at 31 January 2005, a franchisee had opened four stores to which the Group sold apparel.

Despite a difficult retail environment in Hong Kong over the last several years, the Group has grown its business, increasingly by sales from its in-house brands and licensed brands. For the year ended 29 February 2004, the Group's after tax profit was approximately HK$106 million on total turnover of approximately HK$812 million, substantially all of which was derived from the Group's operations in Hong Kong.

HISTORY AND DEVELOPMENT

The Group was founded in 1988 by Mr. Sham Kar Wai and Mr. Sham Kin Wai initially to sell *Dr. Martens* shoes, using the name *GREEN PEACE*. In 1993, *GREEN PEACE* opened its first flagship store in Sino Plaza, Hong Kong.

In 1996, the Group launched a new retail store called *green peace*, which targeted a younger market and offered apparel priced lower than that sold at *GREEN PEACE*. Following the settlement in 1996 of a lawsuit by Greenpeace, the non-profit environmental protection organisation with a presence in approximately 40 countries across Europe, the Americas, Asia and the Pacific, alleging that the Group's use of the store name *GREEN PEACE* infringed its rights to the name "Greenpeace", *GREEN PEACE* was renamed *I.T* and *green peace* was renamed *i.t*. Over time, these stores evolved into their current multi-brand format.

In the 1990s, the Group began the design and sale of apparel from its first in-house brand, *b+ab*, which was originally sold only in its *i.t* stores. In 1997, the Group opened its first *b+ab* free-standing store. In 1997, the Group opened its first *ETE* store, dedicated to footwear and related accessories. The Group launched the *http://www.izzue.com* chain of retail stores in Hong Kong in 1999. The first of the *double-park* chain of stores was launched in 2000.

In 2002, the Group acquired a license from Walt Disney and established its *it's Mickey* line (later renamed as *i.t loves mickey*). In November 2003, the Group established free-standing *it's Mickey* stores. Pursuant to the Group's license agreement with Walt Disney, the Group may be under an obligation to seek prior consent in respect of the disclosure of their relationship in this prospectus. The Group has not yet obtained such prior consent. The Group has recently begun discussion with Walt Disney on these issues. In the event that the Group is held to be in breach of its obligations under the license agreement, Walt Disney has the right to take legal action against the Group and/or terminate its license agreement. In such circumstances, the Group may lose its license to sell its *i.t loves mickey* apparel and its financial results and reputation may be harmed. In 2003, the Group acquired a license from the brand owner of *Arnold Palmer* to design and sell fashion sports clothing for women in Hong Kong.

In 2003, the Group agreed with French Connection to distribute the *FCUK* brand of clothing and accessories through dedicated *FCUK* stores in Hong Kong. The first *FCUK* store in Hong Kong was opened in November 2003.

Since 2002, when a franchisee opened the first *http://www.izzue.com* store in Malaysia, the Group has also begun expanding its network of stores in other parts of the Asia-Pacific region. To date, most of the Group's expansion outside Hong Kong has been through franchisee-owned stores. In 2002, the first store in the PRC was opened, an *I.T* store at Xintiandi in Shanghai operated by a franchisee. In March 2003, the first store in Beijing was opened, followed by the opening of the first *http://www.izzue.com* franchised store in Wenzhou. In November 2003, the Group sought to accelerate its expansion into the PRC through GSIT, a joint venture with Glorious Sun, in which the Group holds a 50% interest. GSIT operates in the PRC through wholly-owned subsidiaries. GSIT operates all of the concessions in the PRC and sells apparel to its franchisees there. To accelerate its expansion into Taiwan, in April 2004, GSIT entered into a joint venture with a Taiwanese partner, in which GSIT holds a 51% interest. In June 2004, this joint venture opened its first store in Taiwan, a *http://www.izzue.com* flagship store.

PRINCIPAL STRENGTHS

- **Management's ability to successfully identify and introduce apparel from international brands into Hong Kong.** The Directors believe that the management understands the international fashion industry and has an in-depth understanding of the Hong Kong retail market, and has demonstrated an ability to identify new fashion apparel designs and products that appeal to the Group's target customers in Hong Kong. The Group's ability to continually identify and introduce into Hong Kong established international brands (as well as up-and-coming international brands) that become popular has helped to establish the Group as a trend setter in the Hong Kong retail apparel industry.

- **Recognition of *I.T* as well as the Group's other brands as trend setters in Hong Kong.** The Group's stores and brands are widely recognised in Hong Kong as trend setters in the fashion apparel retail market in Hong Kong. The Directors believe that the Group is an attractive potential distributor or partner for international designers and licensors who are looking to expand the sales of their apparel products or the scope of their brands into Hong Kong as a result of the Group's image as a trend setter in Hong Kong.

- **Ability to successfully develop its own in-house brands and licensed brands.** The Group has successfully developed its own in-house brands including *http://www.izzue.com* and *b+ab* and licensed brands including *i.t loves mickey* and *Arnold Palmer*, positioning the Group as more than a distributor or retailer of apparel from international brands.

- **Multiple brands and business lines to target a wide range of customers with varying spending power.** The Group sells apparel from international brands, in-house brands and licensed brands through a network of multi-brand stores and single brand stores which are targeted at different market segments to appeal to a wide range of customers with varying spending power. The Group's multi-brand stores currently operate under four different store names, *I.T*, *i.t*, *ETE* and *double-park*, with each store selling apparel from a different collection of international brands (and in some cases from the Group's in-house brands) which are aimed at different segments of the retail market. The single brand stores sell apparel from only one international brand, in-house brand or licensed brand. The Group believes that the resultant diversity of product offerings broadens the Group's range of target customers, thereby reducing its reliance on any particular customer group. The Group also believes that its business further benefits from this diversity of retail price points which accommodates changes to its customers' spending habits.

- **Extensive retail network in Hong Kong.** The Directors believe that the Group's extensive retail network and the high visibility of the Group's stores attract international designers and licensors who are looking to expand the sales of their products or the scope of their brands into Hong Kong. Further, the Group leverages its significant experience and know-how in opening and operating numerous stores in Hong Kong and its strong relationships with major Hong Kong landlords and contractors when opening new stores.

GROWTH STRATEGIES AND FUTURE PLANS

The Group intends to continue to expand its retail network in Greater China, particularly in Hong Kong, as follows:

Expansion of the Group's retail network in Hong Kong

The Group plans to expand its retail network in Hong Kong to grow its market share and to capitalise on the recovering domestic economy and the continued improvement in the domestic retail apparel industry. The Group intends to open up to an aggregate of 152 retail stores in Hong Kong by 28 February 2006, comprised of multi-brand stores to enable the Group to offer a wider selection of international brands and single-brand stores for "spin-offs" of select brands, including newly introduced brands.

The Group also intends to renovate certain of its older retail stores to maintain the sophisticated and contemporary atmosphere of these stores and to continue to enhance its operational systems.

Expansion of the Group's retail network through GSIT

The Group plans to expand its retail network in the PRC and Taiwan through GSIT to benefit from the continued economic growth, increasing purchasing power and the changing fashion preference of its target customers, particularly in the PRC. The Group expects to open up to an aggregate of 160 retail stores in the PRC by 28 February 2006, comprised of both multi-brand and single-brand stores, particularly in Beijing, Shanghai and Hangzhou to increase its presence and market share in those markets. The Group also intends to expand its retail network in Taiwan by opening a further 30 retail stores by 28 February 2006.

STRATEGIES

- **Continue to open further retail stores in Greater China, particularly in Hong Kong.** The Group intends to continue to expand its network of retail stores in Greater China, particularly in Hong Kong. The Group intends to expand by different strategies in Hong Kong and the PRC, respectively, as follows:

  — **Expansion in Hong Kong by leveraging its strong brand recognition and its multi-brand model;**

  — **Expansion in the PRC through GSIT, focusing on in-house brands; and**

  — **Establish single brand stores which retail one brand only, after the brand has become a proven seller in the Group's existing multi-brand stores.** Part of the Group's growth strategy in all the markets in which it operates is to identify the brands from international designers, licensed brands or in-house brands, that sell well within one or more of its network of multi-brand stores, and to establish chains of "spin-off" stores dedicated solely to such brands. The Group has already "spun-off" a number of brands from its multi-brand stores to single brand stores, including international brands such as *Tsumori Chisato* and *as know as de base*, its licensed brands such as *i.t loves mickey* and its in-house brands such as *b+ab*. The Group intends to continue to identify popular brands within its multi-brand stores with the aim of establishing single brand stores to maximise the revenue potential from such brands.

- **Continue to focus on growing sales from its in-house and licensed brands.** The Group intends to continue to focus on growing sales of its in-house brands, such as *http://www.izzue.com* and *b+ab*, and sales of apparel from licensed brands such as *i.t loves mickey* and *Arnold Palmer*. By focusing on growing sales from its higher margin in-house and licensed brands, the Group seeks to increase the profitability of its operations whilst benefiting from the flexibility of controlling the price points, product range as well as the availability of such apparel.

- **Maintain and build on its reputation as a trend setter in the fashion retail market in Hong Kong and to further establish the Group's reputation in the PRC and Taiwan.** To maintain its reputation as a trend setter in the fashion retail market in Hong Kong and to further establish recognition of the Group in the PRC and Taiwan, the Group intends to continue to keep abreast of changing fashion trends and carry lines from well established international brands and up and coming international brands. In the PRC in particular, this also means identifying apparel products that are distinctive in the market to differentiate the Group from competitors, but which may also be sold at a price point attractive to the target customers, offer suitable profit margins for the Group and are likely to be sold in sufficient volume.

- **Become the partner of choice for international brands in Hong Kong and the PRC.** The Group intends to continue to expand its business by becoming the partner of choice for international designers seeking to sell their products or license their brands in Hong Kong and the PRC, by maintaining the Group's reputation as a trend setter in the fashion retail market in Hong Kong and leveraging the Group's 16 years of retail experience and extensive retail network in Hong Kong. Additionally, by continuing to demonstrate its ability to successfully design and commercialise apparel for its licensed brands, such as *Arnold Palmer* and *i.t loves mickey*, the Group believes that it will further attract potential licensors of international brands to partner with the Group.

REASONS FOR THE OFFERING AND USE OF PROCEEDS

The Directors believe that the net proceeds of the Offering will finance the Group's capital expenditures and business expansion, strengthen the Group's capital base and improve its financial position.

The net proceeds of the Offering after deducting related expenses, and assuming an Offer Price of HK$1.85 per Share (being the mid-point of the stated range of the Offer Price of between HK$1.75 and HK$1.95 per Share) and that the Over-allotment Option is not exercised in whole or in part, are estimated to amount to approximately HK$432.5 million. To effect the Group's future plans (details of which are more particularly set out in the section headed "Future plans and use of proceeds — Future plans and prospects" in this prospectus), the Group currently intends to apply the net proceeds as follows:

1. approximately HK$280 million to fund the expansion of the Group's retail network in Hong Kong, including approximately HK$171 million for the opening of multi-brand stores and approximately HK$49 million for the opening of single brand stores, and approximately HK$60 million for the renovation of the older stores in Hong Kong. The Group expects to open approximately 23 new stores in Hong Kong by 28 February 2006 and the Group further expects to open new stores with a total floor area of up to approximately 120,000 sq.ft. in the three years from March 2005. All the premises for the new stores are expected to be leased by the Group;

2. approximately HK$60 million to fund the Group's retail network in the PRC and Taiwan, namely:

   — approximately HK$40 million to fund the retail network expansion in the PRC; and

   — approximately HK$20 million to fund the retail network expansion in Taiwan;

3. approximately HK$85 million to repay a portion of the Group's existing long-term bank loans, including approximately HK$20 million of a HK$50 million loan from Hang Seng Bank (dated 12 May 2004 carrying interest at 2.5% over HIBOR per annum, maturing in August 2009, the proceeds of which were used to fund the expansion of the Group's retail network) and approximately HK$65 million of a HK$100 million loan from The Hongkong and Shanghai Banking Corporation Ltd. (dated 20 October 2004 and drawn on 17 February 2005 carrying interest at 1.5% over 1 month HIBOR per annum or on daily balances at 2.5% per annum below prime rate, expected to mature in January 2008, approximately HK$68 million of the proceeds of which was used to pay a HK$190 million dividend and the remaining approximately HK$32 million was used for working capital. This dividend was declared for the year ending 28 February 2005 and has already been distributed, and therefore will not be paid to new investors participating in the Offering. Further details on this dividend are found in the section headed "Financial information — Dividend and distributable reserves" in this prospectus.); and

4. the remaining amount will be used as general working capital.

In the event that the Over-allotment Option is exercised in full, the additional net proceeds of approximately HK$82.4 million (assuming the Offer Price is determined at the mid-point of the stated range) will be applied by the Group as follows: approximately HK$40 million will be used to fund the Group's Hong Kong expansion, approximately HK$30 million will be applied to further fund the PRC and Taiwan expansion, approximately HK$10 million will be used to repay existing debt, and the remaining amount or approximately HK$2.4 million will be used as general working capital. To the extent that the net proceeds of the Offering are not immediately required for the above purposes, the Directors presently intend that such proceeds will be placed on short-term deposits with licensed banks or financial institutions. Further information in relation to the use of proceeds of the Offering is set out in the section headed "Future plans and use of proceeds" in this prospectus.

The Directors do not believe that the Group has over-expanded in any market in which it operates, including Hong Kong, in significant part because the Group intends to expand using a portfolio of brands and stores (including brands yet to be introduced), and not just one brand. Its expansion plans in Hong Kong and elsewhere are predicated on management's belief that further market opportunities remain in these markets. This belief is based in part on management's experience in the industry, as well as a belief that Hong Kong's broader economy will continue to improve. The Group has not in the past and does not currently commission feasibility studies by third parties in connection with its expansion.

TRADING RECORD

The following is a summary of the Group's combined results for the Track Record Period extracted from the Accountants' Report set out in Appendix I to this prospectus. The results were prepared on the basis of the presentation as set out in the above mentioned Accountants' Report.

	For the year ended			For the six months ended	
	28 February 2002	28 February 2003	29 February 2004	31 August 2003	31 August 2004
			(HK$000s)		
Profit and Loss Data:					
Turnover	**695,051**	**731,983**	**812,168**	**342,209**	**413,318**
Cost of sales	(310,804)	(316,280)	(326,571)	(144,483)	(160,200)
Gross profit	**384,247**	**415,703**	**485,597**	**197,726**	**253,118**
Other revenue	216	215	128	85	4
Operating expenses	(318,236)	(344,441)	(361,684)	(174,171)	(204,617)
Operating profit	**66,227**	**71,477**	**124,041**	**23,640**	**48,505**
Finance costs	(11,772)	(9,863)	(4,298)	(1,944)	(1,926)
Share of profit/(loss) of jointly controlled entities	(276)	110	(1,792)	(1,014)	(5,852)
Gains on disposal of subsidiaries	—	—	9,012	—	—
Profit before taxation	**54,179**	**61,724**	**126,963**	**20,682**	**40,727**
Taxation	(10,310)	(13,770)	(21,373)	(3,890)	(7,807)
Profit attributable to shareholders	**43,869**	**47,954**	**105,590**	**16,792**	**32,920**
Dividends	20,000	20,000	20,000	—	—

Note: On 4 February 2005, the Group declared a further dividend of HK$190 million, which was paid on 17 February 2005, out of which approximately HK$122 million was applied to set off advances from the Company to its controlling shareholders and their related interests.

On 12 May 2004, the Group obtained a HK$50 million loan from Hang Seng Bank carrying interest at 2.5% over HIBOR per annum, maturing in August 2009, the proceeds from which were used to fund the expansion of the Group's retail network. On 20 October 2004, the Group entered into an additional loan agreement for a HK$100 million loan from the Hongkong and Shanghai Banking Corporation Ltd. carrying interest at 1.5% over one month HIBOR per annum or on daily balances at 2.5% per annum below prime rate, maturing in January 2008. Approximately HK$68 million of the proceeds of this HK$100 million loan was used to pay part of a dividend of HK$190 million, which was declared on 4 February 2005 and drawn on 17 February 2005. Furthermore, approximately HK$122 million of the HK$190 million dividend was applied to set off advances from the Company to its controlling shareholders and their related interests. These loans will be repaid prior to their respective maturity dates using proceeds from the Offering so as to limit interest expenses paid by the Company. For illustrative purposes only, assuming that the bank loan of HK$100 million was drawn down as at 31 August 2004, being the date of the most recent audited financial statements, for the payment of a dividend of HK$190 million, and that the dividend was used to offset the Group's receivables from directors, related companies and related parties of HK$98,187 thousand, the gearing ratio (being total debt divided by the total assets, and where total debt refers to total liabilities less accounts and bills payable, accruals and other payables, taxation payable, dividends payable and deferred taxation) would have increased from 24.7% to 62.6%, and the net tangible assets (being total tangible assets less total tangible liabilities) would have decreased from HK$224,448 thousand to HK$34,448 thousand.

PROFIT FORECAST

The forecast of the combined profit after taxation and minority interests but before extraordinary items of the Group for the year ending 28 February 2005 prepared by the Directors is based on the audited accounts of the Group for the six months ended 31 August 2004, unaudited management accounts of the Group for the four months ended 31 December 2004 and a forecast of the results of the Group for the remaining two months ending 28 February 2005. The Directors are not aware of any extraordinary items which have arisen or are likely to arise during the year ending 28 February 2005. The forecast has been prepared on the basis of the accounting policies consistent in all material respects with those currently adopted by the Group as summarised in the Accountants' Report, the text of which is set out in Appendix I to this prospectus and is based on the following principal assumptions:

(a) there will be no material changes in existing government policies or political, legal (including changes in legislation or regulations or rules), fiscal, market or economic conditions in any of the countries, regions or industries in which the Group operates, where the Group's customers carry out business, to where the Group exports its products or from which it imports its raw materials;

(b) there will be no significant fluctuations in currency exchange rates, interest rates and tariffs and duties in the respective countries in which the Group operates;

(c) there will be no material changes in the bases or rates of taxation applicable to the Group in the respective jurisdictions in which they operate;

(d) the Group is not materially and adversely affected by any of the risk factors set out in the section headed "Risk factors" of this prospectus; and

(e) the Group's operations and business will not be severely interrupted by any force majeure events or unforeseeable factors or any unforeseeable reasons that are beyond the control of the Directors, including but not limited to the occurrence of natural disasters or catastrophes (such as floods and typhoons), epidemics or serious accidents.

OFFERING STATISTICS

	Based on an Offer Price of HK$1.75 per Share	Based on an Offer Price of HK$1.95 per Share
Market capitalisation of the Shares *(Note 1)*	HK$1,750 million	HK$1,950 million
Prospective price/earnings multiple		
— weighted average *(Note 2)*	11.6 times	12.9 times
— fully diluted *(Note 3)*	16.5 times	18.4 times
Adjusted net tangible asset value per Share *(Note 4)*	HK$0.63	HK$0.68

Notes:

(1) The calculation of the market capitalisation of the Shares is based on 1,000,000,000 Shares being in issue immediately after completion of the Offering and the Capitalisation Issue but does not take into account any Shares which may be issued upon exercise of the Over-allotment Option or any Pre-IPO Share Options or any options which may be granted under the Share Option Scheme or any Shares which may be allotted and issued or repurchased by the Company pursuant to the Issuing Mandate and the Repurchase Mandate.

(2) The prospective price/earnings multiple on a weighted average basis is based on the forecast earnings per Share on a weighted average basis for the year ending 28 February 2005 of HK$0.151. The calculation of the forecast earnings per Share on a weighted average basis is based on (i) the forecast combined profit after taxation but before extraordinary items of the Group for the year ending 28 February 2005 of HK$106 million, and (ii) the weighted average number of 703,245,000 Shares expected to be in issue during the year but does not take into account any Shares which may be issued upon exercise of the Over-allotment Option or any Pre-IPO Share Options or any options which may be granted under the Share Option Scheme or any Shares which may be allotted and issued or repurchased by the Company pursuant to the Issuing Mandate and the Repurchase Mandate.

(3) The prospective price/earnings multiple on a fully diluted basis is based on the forecast earnings per Share on a fully diluted basis for the year ending 28 February 2005 of HK$0.106. The calculation of the forecast earnings per Share on a fully diluted basis is based on the forecast combined profit after taxation but before extraordinary items of the Group for the year ending 28 February 2005 of HK$106 million, assuming that the Company had been listed since 1 March 2004 and a total of 1,000,000,000 Shares had been in issue during the year but does not take into account that the Shares issued pursuant to the conversion of the convertible note were not outstanding for the full year, any Shares which may be issued upon exercise of the Over-allotment Option or any Pre-IPO Share Options or any options which may be granted under the Share Option Scheme or any Shares which may be allotted and issued or repurchased by the Company pursuant to the Issuing Mandate and the Repurchase Mandate. No account has been taken of any interest which may have been earned if the estimated net proceeds from the issue of the New Shares had been received on 1 March 2004.

(4) The adjusted net tangible asset value per Share has been arrived at after the adjustments referred to in the section headed "Financial Information — Adjusted net tangible assets" in this prospectus and on the basis of 1,000,000,000 Shares in issue at the respective Offer Price of HK$1.75 and HK$1.95 per Share immediately following completion of the Offering but without taking into account that the Shares issued pursuant to the conversion of the convertible note were not outstanding for the full year, any Shares which may fall to be issued upon the exercise of the Over-allotment Option or any Pre-IPO Share Options or of any options which may be granted under the Share Option Scheme or any Shares which may be allotted and issued or repurchased by the Company pursuant to the Issuing Mandate and the Repurchase Mandate.

If the Over-allotment Option is exercised in full, assuming an Offer Price of HK$1.85 per Share (being the mid-point of the stated range of the Offer Price of between HK$1.75 and HK$1.95 per Share), the adjusted net tangible assets of the Group will be increased to approximately HK$0.71 per Share, while the earnings per Share on a fully diluted basis will be diluted to approximately HK$0.101 per Share. However, the Directors believe that this will not have any material effect on the shareholders of the Company.

RISK FACTORS

Risks relating to the Group

- If the broader economy in Hong Kong experiences a downturn, the Group's business may be harmed, as approximately 98% of its annual turnover during the year ended 29 February 2004 and the six months ended 31 August 2004 was derived from sales in Hong Kong

- The Group's success depends on its ability to identify and respond to constantly changing fashion trends and consumer demands for apparel, footwear and accessories

- If the Group's name recognition and reputation as a trend setter were damaged, its business may be adversely affected

- The Group's success depends on its ability to obtain the right to sell apparel from sought after international brands and brand licensors

- The terms of the Group's licenses may limit the Group's ability to expand using those brands

- The Group has either short term or no contracts with international brands whose apparel the Group sells. If the Group were to lose the right to sell such apparel, its business may be harmed

- The Group's success significantly depends on key personnel and its ability to attract and retain additional personnel

- If the Group is unable to successfully manage the rapid growth of its network of retail stores in Hong Kong, the PRC and Taiwan, its financial performance may be harmed

- A significant amount of the net proceeds of the Offering will be used by the Group to repay existing debt

- If third party franchisees or joint venture stores are not operated in a manner similar to the Group's stores in Hong Kong, the Group's business and reputation may be harmed

- The Group may have breached its license agreement with Walt Disney. If the license agreement is terminated and/or Walt Disney successfully obtains a monetary damages award against the Group, the Group's business will be harmed and its reputation damaged

- As the leases for the Group's retail stores in Hong Kong are typically for approximately three years, the Group's financial results may be significantly negatively affected by any rapid increase in commercial real estate rates

- If the Group is unable to protect certain of its intellectual property, including trademarks for its stores' names, such as *I.T* which is a common term, its business may be harmed

- The Group has short term contracts with the licensors from whom the Group has licensed certain brands. If the Group was to lose such licenses, or was unable to renew them on commercially reasonable terms, its business may be harmed

- Sales may decline if the Group does not successfully advertise and market its products
- The Group's products or image campaigns may generate significant negative publicity
- The loss of, or disruption in, the Group's centralised distribution centre and system in Hong Kong or its distribution network in the PRC may negatively impact its business and operations
- The Group's growth may not be sustainable
- The Group has not in the past and does not currently commission feasibility studies by third parties in connection with its expansion
- The Group makes provisions for obsolete or slow-moving inventory
- A possible recurrence of a SARS outbreak may materially and adversely affect the Group's business and results of operations
- The Group experienced a negative change in cash flow during the SARS outbreak of 2003, and in the event of a future outbreak, the Group's cash flow may again be adversely affected
- The Group may adjust its capital expenditures

Risks relating to the industry

- The Group's business is highly competitive, and competitive factors may reduce its revenues and profit margins
- The Group is dependent on third parties for the manufacture of apparel for their in-house and licensed brands
- Trade matters may disrupt the Group's supply chain
- Reduced import duties may increase competition
- The Group relies heavily on skilled sales personnel at its retail stores in Hong Kong, and failure to continue to attract and retain such personnel in Hong Kong may harm the Group's growth strategy, as well as its business there
- Changes in tax laws in Hong Kong may reduce the demand for or profitability of the Group's products, which may harm its business
- The Group's business is seasonal
- Unpredictable weather patterns may reduce the demand for or profitability of the Group's lines of apparel

Risks relating to the PRC

- The Group's raw materials suppliers and garment manufacturers are subject to government regulation, and changes in these regulations or incentives may adversely affect the Group's business and operating results

- The Renminbi is subject to revaluation
- Volatility in Asian financial markets may affect the Group's business
- The Renminbi is not freely convertible
- GSIT's subsidiaries may be penalised for having operated beyond the scope of their business licenses in the PRC in the past
- The PRC's legal system embodies uncertainties that could adversely affect the Group's business and operating results
- The Group relies heavily on its management personnel, and failure to attract and retain such personnel in the PRC could harm the Group's operations and prospects there

Risks relating to ownership of Shares and trading markets

- Although the Group paid dividends to shareholders each year over the Track Record Period and for the year ending 28 February 2005, there can be no assurance that dividends of similar amounts or at similar rates will be paid in the future
- Future sales of securities by the Company or its shareholders may decrease the value of an investment
- There has been no prior market for the Shares and the Offering may not result in an active or liquid market for these securities, which could adversely affect the market price of the Shares
- The initial public offering price may not be indicative of prices that will prevail in the trading market and such market prices may be volatile
- There are risks associated with forward-looking statements
- Certain facts and statistics contained in this prospectus have come from various official sources, the reliability of which cannot be assumed or assured