You should carefully consider all of the information in this prospectus including the risks and uncertainties described below before making an investment in our Shares. You should pay particular attention to the fact that we conduct our operations in the PRC, the legal and regulatory environment of which may differ in some respects from that which prevails in other countries. Our business, financial condition and results of operations could be materially adversely affected by any of these risks and uncertainties. The trading price of our Shares could decline due to any of these risks, and you may lose all or part of your investment. For more information concerning the PRC and certain related matters discussed below, please see "Summary of Principal Legal and Regulatory Provisions" in Appendix V to this prospectus.

RISKS RELATING TO OUR BUSINESS

We heavily rely on our women's footwear brands "C.banner" and "EBLAN" and our failure to maintain the goodwill associated with either of them may materially adversely damage our business

We generate a majority of our revenue from the retail sales of our "C.banner" and "EBLAN" brands of women's footwear, which accounted for approximately RMB740.9 million, RMB942.9 million, RMB1,171.0 million and RMB355.0 million, representing approximately 71.0%, 73.4%, 74.4% and 76.3%, of our total revenue for the three years ended December 31, 2008, 2009 and 2010 and the three months ended March 31, 2011, respectively. We believe that, as brand image is a critical factor affecting consumers' decision to purchase women's footwear, our success depends, and will continue to depend, heavily on our "C.banner" and "EBLAN" brand image. If we are unsuccessful in continuing to promote the image of our "C.banner" and "EBLAN" brands, or fail to maintain the goodwill of such brands among our targeted consumer groups, market perception and consumer acceptance of such brands may be eroded, in which case our business, financial condition and results of operations may be materially adversely affected.

We may fail to produce commercially viable merchandise, or may fail to do so in a timely manner, which could adversely affect our profitability

The women's footwear industry is highly susceptible to changes in fashion trends and consumer tastes and preferences. In order to achieve continued success in this industry, we must be able to anticipate, identify and respond promptly to such changes. As a result, research and development efforts to stay ahead of the fashion curve are crucial to our success and competitive advantage. In addition, as designs that appeal to some consumers may not appeal to others, it is critical that we are able to produce designs with sufficient mass market appeal. Our design team has adopted a systematic approach towards the creation of new designs. However, as the fashion industry is largely subjective in nature, we may fail to anticipate or respond to changes in fashion trends and customer tastes and preferences. As a result, we cannot assure you that our merchandise for each season will be commercially viable or successful.

In addition, our new product lines may not be commercially viable or successful. We also plan to expand our brand portfolio and product lines so as to broaden our retail base and increase our revenue sources. We have launched a new brand, "FABIOLA," in the first half of 2011 and launched another new brand, "SUNDANCE," in August 2011. The launch and development of each new brand or product line involves considerable time and resource commitments. Although we believe that we have the required resources, experience and expertise to undertake such developments, we cannot assure you the success of all or any of our future brands or product lines.

If we are unable to produce commercially viable merchandise, our profitability may be adversely affected. In the long run, this could lead to the loss or diminution in the goodwill and the commercial value of our brands which we have established among our customers.

We are subject to inventory risk

Our estimates from time to time of the market demand for our various products play an important role in our deployment of resources and production arrangements. The production of footwear for our retail business, particularly the initial batch, is based primarily on our estimate of the market demand and our estimate may be inaccurate. As we operate in an industry that is subject to constantly shifting market trends, a sudden decrease in the market demand for our products and the corresponding unanticipated drop in the sales of our products could cause our inventory to accumulate and may adversely affect our financial condition and results of operations. In addition, we generally require our authorized distributors to place a deposit of RMB40,000 per third-party outlet they operate for their purchase orders for winter footwear and a deposit of RMB10,000 per third-party outlet they operate for their purchase orders for footwear of the other seasons. However, if the authorized distributors delay or default in completing their contractual obligations due to changes in their financial or operational conditions or other reasons after placing orders with us but before accepting delivery, we may have to hold higher levels of inventories, and our risk of inventory obsolescence and write-downs will increase. There is no assurance that the deposits paid by the authorized distributors are sufficient to cover our losses. Our average inventory turnover days for continuing operations were 199 days, 163 days, 200 days and 199 days for the three years ended December 31, 2008, 2009 and 2010 and the three months ended March 31, 2011, respectively. As of December 31, 2008, 2009 and 2010 and March 31, 2011, our outstanding amounts of provisions for obsolete inventories were in the amount of approximately RMB23.0 million, RMB32.6 million, RMB30.8 million and RMB33.1 million, respectively. Any further increase in our obsolete inventories or write-downs may materially and adversely affect our business, financial condition and results of operations.

We may not be able to maintain our growth or manage our expansion effectively

We experienced rapid growth during the Track Record Period. From December 31, 2008 to March 31, 2011, the number of our proprietary outlets grew from 721 to 1,015, and the number of our third-party outlets grew from 207 to 344. Our revenue grew from RMB1,044.0 million in 2008 to RMB1,575.0 million in 2010 at a CAGR of approximately 22.8%. Comparing the three months ended March 31, 2010 with the three months ended March 31, 2011, our revenue grew by 24.5% from RMB373.5 million to RMB465.1 million. Our future revenue growth depends on various factors, including:

- continued market demand for our products;
- our ability and effectiveness in researching and developing attractive brands, models and product lines for our targeted markets;
- our ability to increase sales at our existing proprietary outlets and open new proprietary outlets;
- our ability to develop authorized distributors to open more third-party outlets;
- customers' acceptance of the style or model of new women's footwear brands that we will be launching into the market;

- sufficient and timely supply of raw materials, semi-finished products and finished products;
- our ability to effectively control cannibalization among our different brands and adjacent retail outlets during our expansion;
- our ability to maintain or increase our retail prices;
- our ability to attract and retain key personnel; and
- our ability to systematically manage and control our costs and supply and distribution chains with an enlarged operation.

As many factors affecting our future growth are beyond our control, we may not be able to achieve our historical growth rate or manage our planned expansion effectively. In the past, due to unexpected difficulties in our expansion, there were occasions when we were unable to meet the requirements contained in the agreements we entered into with our business partners, such as brand licensors. We also experienced, and cannot assure you that we will not encounter in the future, contract disputes and customer complaints in our ordinary course of business. In addition, we discontinued our apparel operations as a result of changes of both our own business strategies and those of the apparel licensors and may have to continue to adjust our business strategies according to market conditions and other factors beyond our control. If we fail to manage our planned expansion effectively, our business, financial condition and results of operations may be materially and adversely affected.

We heavily rely on our department store outlets for our sales and we may be unable to secure retail space for our department store outlets or secure such spaces on commercially reasonable terms

The majority of our revenue is derived from our retail sales through department store outlets, which was approximately RMB753.2 million, RMB965.4 million, RMB1,206.8 million and RMB364.6 million, representing approximately 72.1%, 75.1%, 76.6% and 78.4%, of our total revenue for the years ended December 31, 2008, 2009 and 2010 and the three months ended March 31, 2011, respectively. Most of our arrangements with department stores are governed by concessionaire agreements. The concessionaire fees payable are calculated as a percentage, typically ranging from 15% to 30%, of our outlets' total retail sales amount. Any increase in the applicable concessionaire fees in the future will affect our selling and distribution expenses and our profitability. In addition, as we plan to expand our department store outlets, we expect that our total concessionaire fees will increase accordingly. Depending largely on the relative bargaining position of the parties, some department stores may further require our outlets to guarantee a minimum yearly or monthly retail sales amount, failing which we will be required to pay the concessionaire fees calculated as a percentage of such guaranteed minimum sales. As of March 31, 2011, 197 of our department store outlets operated pursuant to such agreements with minimum sales requirements, which ranged from RMB240,000 per year to RMB5.0 million per year.

Furthermore, the display of our merchandise in department store outlets provides our merchandise with a varying degree of visibility. Therefore, the location and ease of access to our outlets within department stores will determine the prominence of our display and the customer traffic flow to our merchandise. In addition, much of the goodwill we enjoy with our consumers tends to associate with major department stores within which we maintain our outlets. However, we cannot assure you that we will be able to obtain prime retail space, or any retail space, for our retail outlets on concessionaire fees that are commercially reasonable.

Moreover, department stores regularly review the inventory turnover of the merchandise we have sold in our outlets within their stores. If the sales of our merchandise fall below their expectations, they may not renew our agreements for the retail outlets in their stores. If such existing concessionaire agreements cannot be renewed, we will have to find alternative premises that may not be located in areas that offer similar business environments. In addition, failure to renew our retail space will provide an opportunity for our competitors to move into such retail space previously occupied by us. The loss of retail space in a premium department store could have an adverse impact on our sales volume, which would in turn affect our profitability and prospects.

As the concessionaire agreements are usually renegotiated every six months to one year, the locations of our outlets within the same department stores are subject to change even if such agreements are renewed. Any location change within a department store depends on the outcome of our negotiations with the relevant department store, which is affected by our sales made during the term of the previous agreement, the prevailing market conditions and many other factors beyond our control. Such location change and the enforcement of other contractual provisions, such as charging concessionaire fees on our guaranteed minimum sales, may result in a decrease in our revenue and the incurrence of relocation costs.

We do not have a controlling equity interest in our joint venture and may lose our non-exclusive license to use the "Naturalizer" brand

Our operations with respect to "Naturalizer" brand footwear rely on our licensing arrangements with Brown Shoe, the owner of "Naturalizer" brand, with which we established a joint venture, Hong Kong B&H. We hold a 49% equity interest in Hong Kong B&H, and Brown Shoe holds the other 51% equity interest through its subsidiary. Brown Shoe initially granted Dongguan B&H, a wholly owned subsidiary of Hong Kong B&H, the exclusive, non-transferable license to operate "Naturalizer" brand women's footwear in China by a master license agreement entered into in August 2007, subject to the arrangements under the tri-partite sub-license agreement as described below. In turn, Dongguan B&H initially granted us the exclusive, non-transferable license to distribute "Naturalizer" brand women's footwear in China, except for Beijing, Shanghai, Guangzhou and Shenzhen, pursuant to a tri-partite sub-license agreement entered into at the same time. These two licenses subsequently became non-exclusive and the license agreements were further amended in August 2011, as disclosed below. For more details, please see the section entitled "Business—Our Product Portfolio—Our licensed footwear brand—License agreements" in this prospectus. The above license and sub-license agreements, which we rely on to operate our "Naturalizer" brand women's footwear, do not give us the same control over the brand as we have over our self-developed women's footwear brands. In addition, our joint venture partner, Brown Shoe, may:

- have economic or business interests or goals that are inconsistent with, or different from, ours;
- take actions contrary to our instructions or requests or contrary to our policies or objectives;
- be unable or unwilling to fulfill its obligations under the joint venture or related license agreements; or
- have financial difficulties that may require it to take actions or refrain from actions inconsistent with, or contrary to, our interest or the interest of the joint venture.

Any material disputes with Dongguan B&H or Brown Shoe over the scope or performance of our respective obligations under the joint venture or related license agreements could adversely affect our ability to use the "Naturalizer" brand.

We have not strictly adhered to the obligations and restrictions contained in the initial sub-license agreement. Our initial sub-license agreement required us to operate 20, 66, 120, 182 and 245 "Naturalizer" retail outlets during the first, second, third, fourth and fifth years, respectively after mid-2007, failing which our license would become non-exclusive. We did not attain the specified number of "Naturalizer" retail outlets as required for certain years primarily due to unexpected difficulties in our expansion. As a result, our license became non-exclusive and, pursuant to a similar requirement under the master license agreement, Dongguan B&H's license also became non-exclusive, although, to our knowledge, neither Brown Shoe nor Dongguan B&H has granted the license to any other person in China. In addition, the sub-license agreement requires us to sell "Naturalizer" brand women's footwear only through our "Naturalizer" retail outlets and not through any third party distributor. We had historically wholesaled "Naturalizer" brand women's footwear to a third party for retail in a third-party outlet in Inner Mongolia from 2008 to 2009, which constituted a breach of the sub-license agreement. We ceased such practice by the end of 2009. Under the sub-license agreement, any breach of the agreement will entitle both Brown Shoe and Dongguan B&H to terminate our license to use the "Naturalizer" brand upon delivery of a written termination notice if such breach is not rectified within 30 days of such written notice from either Dongguan B&H or Brown Shoe. In addition, Brown Shoe and Dongguan B&H may also seek damages from us for our breaches. In 2010, we commenced operating "Naturalizer" stores in Beijing and Shanghai by oral agreement with Dongguan B&H, notwithstanding such operations were beyond the scope of the licenses. We have subsequently ceased such operation in Beijing but continued the operation in Shanghai.

In view of the above breaches, the parties to the master license agreement and the sub-license agreement entered into a deed of understanding, effective May 4, 2011, pursuant to which Brown Shoe and Dongguan B&H have waived their rights and will not seek any damages under the joint venture deed, the sub-license agreement or the master license agreement resulting from our prior breaches described above. In addition, the Indemnifiers have agreed to indemnify our Group against any loss and damage incurred by any member of our Group as a result of or in connection with such breaches of the sub-license agreement and/or the master license agreement.

In August 2011, we entered into an asset sale agreement with Dongguan B&H to transfer all of our "Naturalizer" retail outlets in Shanghai, four in total, to Dongguan B&H, including assignment of business contracts and sale of equipment and inventory of these outlets. The sale of the equipment and inventory of our outlets will be based on their book value plus a margin with respect to our inventory for the spring 2012 season. The book value of such equipment and inventory was approximately RMB1.2 million as of March 31, 2011. We expect to complete the sale by January 2012 and will be restricted from operating "Naturalizer" retail outlets in Shanghai afterwards pursuant to the sub-license agreement.

Also in August 2011, we entered into a deed of amendment with the relevant parties to amend the joint venture deed, the master license agreement and the sub-license agreement. The deed of amendment allows us to continue to operate "Naturalizer" retail outlets in Shanghai until the transfer of such outlets to Dongguan B&H and has removed the previous store-opening requirement. Pursuant to the deed of amendment, we have agreed to purchase an annual amount, ranging from 100,000 pairs to 220,000 pairs, of women's footwear under "Naturalizer" brand from Dongguan B&H in each year from 2011 to 2017. We are confident to meet such annual purchase requirement. If we fail to do so in any one year, we are not deemed in breach of the agreement but are required, in the succeeding year, to make up for the difference between the required annual purchase amount and the actual purchase amount. If we fail to make up for the difference in the succeeding year, we will be deemed in breach and required to pay a certain amount of liquidated damages as calculated under a formula by reference to the difference. If we fail to pay the liquidated damages within 10 days of Dongguan B&H's written notice, Brown Shoe will be entitled to purchase the number of Hong Kong B&H's shares held by us as calculated under a formula by reference to the liquidated damages. When Brown Shoe's shareholding in Hong Kong B&H reaches two-thirds or 75%, both the joint venture deed and Hong Kong B&H's articles of association will be revised accordingly to restrict our right in the management of Hong Kong B&H.

Except as amended by the deed of amendment, the joint venture deed, master license agreement and sub-license agreement will continue to be effective under their current terms. If we fail to comply with the terms of the deed of amendment and other agreements, Brown Shoe may terminate our license, or refuse to renew our license, to use the "Naturalizer" brand. In such event, we may not be able to generate revenue from "Naturalizer" brand as we did in the past, or at all. In addition, we may have to close our "Naturalizer" outlets, but the relevant department stores may require us to continue to pay utilities fees, management fees, our share of the department stores' promotion and advertisement fees, and the concessionaire fees based on guaranteed minimum sales amounts during the respective terms of the agreements with these department stores. We may further incur expenses as a result of closing the relevant outlets and disposing of inventories at a discount. For the years ended December 31, 2008, 2009 and 2010 and the three months ended March 31, 2011, our revenue from "Naturalizer" brand accounted for approximately RMB18.3 million, RMB29.5 million, RMB43.8 million and RMB12.2 million, respectively, representing 1.8%, 2.3%, 2.8% and 2.6%, respectively, of our total revenue. During the corresponding periods, our gross profit from the "Naturalizer" brand accounted for approximately RMB10.9 million, RMB14.8 million, RMB21.6 million and RMB5.9 million, respectively, representing 1.9%, 2.3%, 2.2% and 2.0%, respectively, of our total gross profit.

Unfavorable changes in the price or quality, or interruptions to the supply, of raw materials or finished products we source from third parties will adversely affect our business

We rely on independent third parties to supply all our raw materials needed for our manufacturing process. We also outsource approximately 40% to 50% of the footwear production of our self-developed brands to third-party contract manufacturers. The prices of raw materials and the prices of semi-finished and finished products quoted by our suppliers or contract manufacturers may fluctuate, which is beyond our control. In particular, the prices of leather in China, which is the principal raw material we use in our production process, fluctuate seasonally and are also subject to the fluctuations of the international leather market. Depending on the extent of such price fluctuations, we may need to adjust the selling price of our products. However, we cannot assure you that we can always pass increases in prices of our supplies onto our customers in a timely manner or at all.

Moreover, supplies that fail to meet our quality standards may affect the quality of our products and lead to complaints, negative publicity or product liability claims. In particular, as we do not have direct control over the manufacturing process of the raw materials as well as semi-finished and finished products we outsource from third-party suppliers or contract manufacturers, we cannot assure you that the raw materials will meet our quality requirements, or such semi-finished or finished products will have the same quality as the products manufactured by ourselves. Any quality problems related to our supplies, if undetected, may adversely affect our business and reputation.

In addition, we must obtain sufficient quantities of quality supplies from our suppliers in a timely manner in order to maintain and grow our operations. If we fail to do so for any reason, we may incur additional costs to locate alternative suppliers in order to avoid any interruption to our production or delivery schedule. Furthermore, if we cannot identify alternative suppliers when needed or obtain sufficient supplies when required, a stock shortage at our retail outlets may ensue and we may be unable to deliver products to our customers in a timely manner, or at all, which could adversely affect our results of operations and reputation.

We have no insurance coverage for our production facilities and warehouses and limited insurance coverage for our inventories, and may be subject to product liability claims for which we do not maintain any insurance

We have no insurance coverage for our production facilities and warehouses, and may incur damages arising from production accidents, fire or natural disasters. In addition, our inventories stocked in the department stores, where most of our proprietary outlets are located, have no insurance coverage either. If we incur substantial losses or liabilities and our insurance coverage is unavailable or inadequate to cover such losses and liabilities, we may have to pay out of our own funds for financial and other losses, damages and liabilities, including those caused by natural disasters and other events beyond our control. This could have a material and adverse effect on our business, financial condition and results of operations.

Moreover, we do not maintain any product liability insurance. Under current PRC laws and regulations, we are not required to maintain product liability insurance, and we believe it is customary in the women's footwear industry in China not to maintain product liability insurance. As of the Latest Practicable Date, we had not received any material complaint or claim, nor were we subject to any material legal or administrative proceedings, in relation to the quality of our products. However, we cannot assure you that material claims in relation to product liability will not be brought against us in the future. Any such claims will divert our management attention as well as financial resources from our operations. If we fail in defending against such claims, we could be subject to significant damages as well as reputational losses. In addition, any material product defect could influence purchasing decisions of our customers, thereby negatively affecting our future sales and profitability.

We may be adversely affected by labor shortages, increases in labor costs and labor disputes

Our production of women's footwear is labor intensive. During the Track Record Period, we experienced a shortage of labor, particularly in our production facilities in Dongguan. Workforce turnover also remained relatively high. We cannot assure you that we will not experience any shortage of labor in the future. If we experience a shortage of labor, we may not be able to maintain our production volume. If our workforce turnover remains high, we will be forced to train unskilled or less skilled workers on a more frequent basis. Recruitment of unskilled or less skilled labor force may result in an increase in substandard products or reduced efficiency in our manufacturing process. In addition, labor costs in China have increased and may continue to increase in the future. As a result, our production costs may continue to increase, and we may not be able to pass these increases to our customers due to competitive pricing pressures.

Moreover, labor disputes, work stoppages or slowdowns at our production facilities or any of our contract manufacturers or raw material suppliers could significantly disrupt our operations or our expansion plans. Delays caused by any such disruptions could adversely affect our operations, our expansion plans and revenues, which could in turn have a material adverse effect on our business, financial condition and results of operations.

Failure to compete effectively in the women's footwear industry may adversely affect our profitability and prospects

The women's footwear industry in China is a highly competitive sector where numerous brands are vying for the attention of consumers. The competition in this sector may increase because the barriers to entry are relatively low.

We primarily compete with local and national women's footwear retailers in terms of brand image, product design and quality, pricing and distribution network. Our competitors may have, or may be able to devote, greater resources to the development of their businesses than us. In addition, our competitors may be able to react more quickly to changing market conditions and customer requirements than us. Our competitive strength depends on whether we can continue to build on the goodwill associated with our brands and produce commercially viable merchandise that caters to the consumer market in China. If we cannot compete effectively with our competitors, our business, financial condition and results of operation may be adversely affected.

Our sales volume is sensitive to changes in consumer spending patterns, seasonality and change of weather patterns

In the women's footwear industry, consumer spending patterns are affected by various factors, including local economic conditions, uncertainties about future economic prospects, interest rates, taxation, 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 experience seasonal fluctuations in our revenues generated from China as consumer spending patterns vary on a seasonal basis. We generally record higher sales during major holidays and festivals, as compared with our sales in other periods in a financial year. In addition, we typically generate more revenue from fall and winter of a year than from the spring and summer primarily because the shoes we sell in fall and winter generally have higher prices than the shoes we sell in spring and summer and there are more holidays and festivals in fall and winter. As a result of these fluctuations, comparisons of sales and results of operations between different periods within a single financial year, or between different periods in different financial years cannot be relied on as indicators of our performance. Any change in spending patterns, consumer demands, market trends or timing of festival seasons may intensify such fluctuations and adversely or seasonally affect our business, financial condition and results of operations.

Weather patterns may also change consumer preferences. Usually, consumers tend to purchase lighter footwear products when the weather is relatively warm, and heavier and thicker footwear products when the weather is relatively cold. As such, if the weather is significantly different from what we have expected, we may not have suitable footwear products to meet consumers' demands. In the event of a severe unexpected change in weather patterns, we may not have time to plan our sales suitable for the season, and our business, financial condition and results of operations may be adversely affected.

We may not be able to deliver raw materials to our manufacturing sites or deliver merchandise to our proprietary outlets or our authorized distributors in a timely manner

Logistic coordination constitutes an important part of our operational process. Our ability to produce and effect sales of our products depends on our ability to secure the supply of the required raw materials or finished products outsourced from third parties and to deliver merchandise to our proprietary outlets and our authorized distributors, each in a timely manner. This process requires an effective logistics system. We rely on third-party freight companies for the transportation of our raw materials and production feedstock from the various suppliers to our manufacturing sites and for the transportation of our merchandise from our central warehouses to our regional warehouses and eventually to our retail outlets. As a result, we may experience delays caused by factors beyond our control, such as weather conditions, labor unrest or financial condition at such freight companies. If we are unable to secure the transportation of raw materials or production feedstock to our manufacturing sites or deliver merchandise to our retail outlets in a timely manner, our production, sales and results of operations could be adversely affected.

The image and goodwill of our brands could be harmed if our authorized distributors fail to manage the third-party outlets in accordance with our standards

As one of our distribution channels, we wholesale women's footwear of our self-developed brands directly to authorized distributors, who operate their own retail outlets according to the same brand formats as our proprietary outlets. Although the initial design and layout and subsequent changes of the retail outlets of our distributors are subject to our approval, their lack of maintenance and wear and tear to their premises may cause such outlets to fall out of rank with our standard format. As we do not directly control the operations of these retail outlets, the image and goodwill of our brands may be damaged if the authorized distributors fail to manage their retail outlets in accordance with our standards. Such loss of goodwill with our consumers could adversely affect our reputation, sales and results of operations.

Counterfeit products using our brand name or our licensed brands may damage consumer confidence in our products and erode our goodwill

Our major intellectual property rights are our trademarks, which are critical to the success of our business operations. As of the Latest Practicable Date, in relation to our business operations, we had registered a number of trademarks and were in the process of applying for the registration of certain additional trademarks. For additional information, please see Appendix VII entitled "Statutory and General Information—Intellectual Property Rights of our Group" to this prospectus.

We heavily depend on the goodwill that we have established in our brands for women's footwear. As of the Latest Practicable Date, we were not aware of any material violations or infringements of our trademarks. However, we cannot assure you that there have not been, or that there will not be, third parties who attempt to pass off their merchandise under our brand names. Although we have been vigilant in policing the infringement of our brand names, we cannot completely prevent others from passing off their merchandise as being associated with ours. If customers are unable to distinguish our merchandise from counterfeit products of inferior quality, the goodwill generated by our brand names will be eroded. As a result, our reputation, business, financial condition and results of operations could be adversely affected.

Certain defects in title of our lease agreements related to certain properties occupied by us in China may materially and adversely affect our ability to use such properties

As of July 31, 2011, we leased 56 properties with a total GFA of approximately 68,258 square meters in China. In some instances, our immediate lessors are not the ultimate owners of the rental properties, and no consent was obtained from the ultimate owners to sublease the properties to us. A lessor's failure to duly obtain title to the properties it has leased to us, or its failure to obtain any necessary approval from the ultimate owners or primary lease holders of the properties, could potentially invalidate our leases. As of July 31, 2011, with respect to 12 of the properties leased by us, the lessors have not provided us with the relevant title ownership certificates. These 12 properties are located in 10 cities in China and have an aggregate GFA of approximately 56,949 square meters. Among these 12 properties, the lessors of 11 properties, including our Dongguan and Suining production facilities, have provided us documents evidencing that they have requisite titles or rights to lease the properties to us. As a result, our PRC legal advisor is of the view that such leases are valid and are in compliance with the applicable PRC laws, and that we are entitled to lawfully occupy the relevant properties within the lease terms. The lessor of one property in Foshan, which we use for our research and development center and one central warehouse, has been unable to provide us with sufficient documents evidencing its rights to lease the property to us. As advised by our PRC legal advisor, the lease contract of this property complies with the PRC Contract Law and is binding and enforceable between the contracting parties. However, we cannot assure you that we will not encounter any challenges by any third party on the title to such property, which might adversely affect our current occupations. Should any dispute arise due to such title or leasehold interests, we may encounter difficulties in continuing to lease such properties and may be required to relocate.

We rely on our key personnel for our future growth

The Directors and our senior management implement our business plans and oversee our day-to-day operations. In addition, the creative efforts and innovation of our design team play a crucial role in determining whether our merchandise has the requisite market appeal for achieving a healthy sales volume. Our future development and expansion will rely on the continued dedication, skills and experience of such key personnel, in particular, Mr. Chen Yixi and other members of our senior management team as mentioned in the section entitled “Directors, Senior Management and Staff” in this prospectus.

Members of our key personnel may voluntarily serve notices of termination of their employment with us at any time. There is no assurance that we can retain such key personnel for their future services, nor can we assure that qualified personnel can be found to replace any potential loss of such key personnel, which could adversely affect our profitability and operations.

We may not be able to detect or prevent fraud or other misconduct which may be committed by our employees or third parties

Fraud and other misconduct may be committed by our employees or third parties. Such fraud and misconduct can be difficult to prevent or deter despite our internal controls and corporate governance practices. As we handle large amounts of footwear in our daily operations, we cannot ensure that there will not be instances of fraud, theft or other misconduct involving our employees. Third parties such as contract manufacturers, transportation companies, suppliers and customers may also commit fraud or other misconduct against us. Such illegal actions can be difficult to detect, deter and fully prevent, and could subject us to financial losses and harm our business, operations and reputation. Although we are protected by indemnity provisions in our logistic arrangements and outlet operating procedures, we cannot assure that such indemnity provisions will be effective in preventing or protecting us against such fraud or misconduct or that any such contract manufacturer, transportation company, supplier, customer or employee will be financially able to honor its indemnity obligations. We also face the risk that our employees may not adhere to our mandated code of conduct, procedures and requirements, and such misconduct or improper acts of our employees could subject us to third party claims and regulatory investigations. Although we consider our internal control policies and procedures adequate, we may be unable to prevent, detect or deter all such instances of fraud, theft, misconduct and improper acts.

Dividends declared in the past may not be indicative of our dividend policy in the future

For the years ended December 31, 2008, 2009 and 2010 and the three months ended March 31, 2011, we paid dividends in the amount of RMB26.8 million, nil, RMB191.6 million and RMB64.4 million, respectively. Dividends declared and paid by us in the past may not be indicative of our dividend policy in the future.

Any future declaration of dividends will be proposed by our Board. The amount of future dividends on our Shares will depend on our financial position, results of operations, plans for expansion, capital needs, distributable reserves and other factors as our Directors may deem appropriate. Subject to the Companies Act, Shareholders in general meetings may from time to time declare a dividend or other distribution but no dividend or distribution may be declared in excess of the amount recommended by our Directors. Accordingly, our historical dividends declared are not indicative of our future dividend policy.

Our Controlling Shareholders have substantial control over us, and their interests may not be aligned with the interests of our other Shareholders

Immediately after the Global Offering, our Controlling Shareholders will directly and indirectly own an aggregate of approximately 36.59% of our Shares. The interests of our Controlling Shareholders may differ from the interests of our other Shareholders. Although the aggregate ultimate shareholding of Mr. Li Wei, another founder of our Group, of 20.01% and Mr. Miao Bingwen, another founder of our Group, of 18.40% in our Company will exceed the ultimate shareholding of Mr. Chen Yixi of 36.59% in our Company upon completion of the Capitalization Issue and the Global Offering, Mr. Chen Yixi, Mr. Li Wei and Mr. Miao Bingwen have exercised their rights over their shareholding in our Company independently and are not connected persons to each other. None of our founders is currently, or has in the past been, acting in concert with each other under the Hong Kong Code on Takeovers and Mergers. Neither we nor any of our founders has any current intention to change the way of managing our business after the Listing.

Our Controlling Shareholders could have significant influence in determining the outcome of any corporate transaction or other matter submitted to our Shareholders for approval, including mergers, consolidations and the sale of all or substantially all of our assets, election of Directors and other significant corporate actions. In cases where their interests are aligned and they vote together, our Controlling Shareholders will also have the power to either prevent or cause a change in control. To the extent the interests of our Controlling Shareholders conflict with the interest of other Shareholders, the interests of other Shareholders may be disadvantaged or harmed.

We may be unable to obtain adequate funding to implement our growth strategies

After the Global Offering, we anticipate that our working capital needs and our capital expenditure needs will increase with the implementation of our growth strategies. Our ability to raise additional capital will depend on the financial success of our current business and the successful implementation of our future plans as set forth in this prospectus, as well as other financial, economic and market conditions, some of which are outside our control. For the years ended December 31, 2008, 2009 and 2010 and the three months ended March 31, 2011, our average inventory turnover days for continuing operations were 199 days, 163 days, 200 days and 199 days, respectively, partially due to (i) our policy of maintaining a certain level of raw materials in our inventory to support our manufacturing of approximately 50% to 60% of the footwear of our self-developed brands, and (ii) our policy of maintaining a certain level of inventory of finished footwear to support our retail business. We may not be successful in raising any required capital on reasonable terms or at required time, or raising any required capital at all.

In addition, equity financing may have a further dilutive effect on our Shareholders. If we require additional debt financing, the lenders may require us to agree to restrictive covenants that could limit our flexibility in conducting future business activities, and the debt service payments may be a significant drain on our free capital allocated for our business activities. If we are unsuccessful in raising additional capital or if new capital funding costs are higher than our prior capital funding costs, our business operations and growth may be materially and adversely affected.

Business interruptions at our production facilities due to force majeure and other causes could reduce our sales and results of operations

Our operations are vulnerable to interruptions by war, riot, fire, earthquake, epidemic, power blackout and other events beyond our control. Any material interruption at our production facilities, even for a short duration, could result in decrease in production capacity for a sustained period and delays in deliveries of our products, which could reduce our sales and results of operations.

A majority of the products we sell are manufactured at our production facilities located in China. In recent years, some regions in China have experienced power shutdowns, electricity shortages or government interventions, particularly in the form of power rationing, during peak seasons. Such factors could affect our daily operations. If there is an insufficient supply of electricity to satisfy our requirements, we may need to limit or delay our production, which could adversely affect our business and results of operations.

Moreover, we rely on our management information systems to conduct our production, logistics and sales. We cannot assure you that our information systems will always operate without interruption. In particular, as our retail network system is fully integrated, any malfunction to a particular part of the system for an extended period of time, whether due to power failure, equipment failure or human error, may result in a breakdown throughout our network. As a result, our ability to continue our operations smoothly may be negatively affected, which in turn could adversely affect our financial condition and results of operations.

We may not be able to achieve the marketing results we expect if we cannot renew our agreements with our existing brand ambassadors or engage brand ambassadors of equivalent or higher standing

We have engaged Miss Gao Yuanyuan (高圓圓), a well-known actress in China, and Miss Shang Wenjie (尚雯婕), a popular singer in China, as our brand ambassadors for "C.banner" and "SUNDANCE," respectively. We plan to continue to engage celebrities to promote our brands and products as part of our marketing strategy. If we fail to renew our agreements with any of our existing brand ambassadors or if their popularity declines, we may not be able to find suitable celebrities for replacement. As a result, the marketing results we expect may not be achieved. In addition, the consideration we pay our existing brand ambassadors may increase on renewal after the Listing even if we successfully renew our agreements with them.

RISKS RELATING TO OUR INDUSTRY

We are susceptible to the changing conditions in the PRC footwear retail industry

As all our production facilities, proprietary retail outlets and authorized distributors are situated in China, our business and results of operations are susceptible to the changing conditions of the PRC market. Changes in laws and regulations relating to the retail industry, in particular, the footwear retail industry, or their interpretation adopted by the PRC government may adversely affect our business, financial condition and results of operations.

We are incorporated in Bermuda and operate our retail businesses through our foreign-invested enterprises in China. With the accession of China into the World Trade Organization in 2001, the PRC government promulgated, on April 16, 2004, the Administrative Measures on Foreign Investments in Commercial Sectors《外商投資商業領域管理辦法》, which aim at liberalizing the regulatory framework for foreign investment in the PRC retail industry by allowing foreign investors to set up wholly owned enterprises to engage in wholesale and retail business. Such a liberalized regulatory framework has been crucial to our engagement in retail operations in China, but there is no assurance that the PRC government will continue such a policy and will not reinstate or adopt more restrictive measures to regulate the PRC retail industry. In addition, the aforesaid measures may intensify competition, particularly from large international retailers, and there is no assurance that we will be able to maintain our level of performance, profitability and market share in such an operating environment.

We are subject to the slowdown of the global economy

We were adversely affected by the global financial crisis that occurred in late 2008 and early 2009. For example, in anticipation of a sustained effect from the global financial crisis, we decided to reduce our inventory levels in 2009. As a result, our gross margin, operating margin and net margin were adversely affected that year. The women's footwear industry is very sensitive to changes in the economy, as any shift in discretionary spending on consumer goods and services may have an adverse effect on the industry. Any recurrence of the global financial crisis may adversely affect the economies of China and other countries to which we export our products and could in turn adversely affect our business and results of operations. When confronted with times of such financial crisis, we may have to offer deep discounts for an extended period to attract customers and maintain our sales volume.

RISKS RELATING TO CHINA

PRC economic, political and social conditions as well as governmental policies can affect our business

The PRC economy differs from the economies of most developed countries in many aspects, including:

- structure;
- degree of government involvement and control;
- degree of development;
- growth rate;
- control of foreign exchange; and
- allocation of resources.

The PRC economy has been transitioning from a centrally planned economy to a more market-oriented economy. For over three decades, the PRC government has implemented economic reform measures to utilize market forces in the development of the PRC economy. Although we believe these reforms will have a positive effect on the overall long-term development of China, we cannot predict whether changes in the PRC economic, political and social conditions and in its laws, regulations and policies will have any adverse effect on our current or future business, financial condition or results of operations.

PRC government restrictions on the convertibility of Renminbi may limit our ability to effectively utilize our revenues and funds and the ability of our PRC subsidiaries to obtain financing

Most of our revenues as well as costs and expenses are denominated in Renminbi, which is currently not a freely convertible currency. In order for us to effectively utilize our revenues and the funds raised in this Global Offering, we need to conduct currency exchanges between Renminbi and other currencies. Under PRC laws and regulations, Renminbi is convertible for current-account transactions, which include, among other things, dividend payments and payments for the import of goods and services. Our PRC subsidiaries may also retain foreign exchange in their respective current-account bank accounts for use in payment of international current-account transactions. Although Renminbi has been fully convertible for current-account transactions since 1996, we cannot assure you that the relevant PRC government authorities will not limit or eliminate our ability to purchase and retain foreign currencies for current-account transactions in the future.

Conversion of Renminbi into foreign currencies, and of foreign currencies into Renminbi, for payments relating to capital account transactions, which principally include investments and loans, generally requires the approval of SAFE and other relevant PRC governmental authorities. Restrictions on the convertibility of Renminbi for capital-account transactions could affect the ability of our PRC subsidiaries to make investments overseas or to obtain foreign exchange through debt or equity financings, including by means of loans or capital contributions from us.

If we finance the operations of our PRC subsidiaries through additional capital contributions, the amount of these capital contributions must be approved by the MOFCOM authorities. On August 29, 2008, SAFE promulgated Circular 142 "Notice of the General Affairs Department of the State Administration of Foreign Exchange on the Relevant Operating Issues concerning the Improvement of the Administration of Payment and Settlement of Foreign Currency Capital of Foreign-funded Enterprises" 《國家外匯管理局綜合司關於完善外商投資企業外匯資本金支付結匯管理有關業務操作問題的通知》("Circular 142"), relating to the conversion by a foreign-invested company of foreign currency into Renminbi with restrictions on the use of the converted Renminbi. Circular 142 requires that Renminbi converted from foreign currency-denominated capital of a foreign-invested company may only be used for purposes within the business scope approved by the applicable governmental authority and may not be used for equity investments within China unless specifically provided in its business scope. In addition, SAFE generally strengthened its oversight of the flow and use of Renminbi funds converted from foreign currency denominated capital of a foreign-invested company. The use of such Renminbi funds may not be changed without approval from SAFE, and may not be used to repay Renminbi loans if the proceeds of such loans have not yet been used for purposes within the company's approved business scope. Violations of Circular 142 may result in severe penalties, including substantial fines as set forth in the foreign exchange control regulations.

We cannot assure you that we will be able to complete the necessary government registrations or obtain the necessary government approvals on a timely basis, if at all, with respect to future loans by us to our PRC subsidiaries or with respect to future capital contributions by us to our PRC subsidiaries. If we fail to complete such registrations or obtain such approvals, our ability to use the proceeds we receive from this Global Offering and to capitalize or otherwise fund our PRC operations may be negatively affected, which could adversely and materially affect our liquidity and our ability to fund and expand our business.

Fluctuations in the value of Renminbi may adversely affect our business and the value of distributions by our PRC subsidiaries

The value of Renminbi depends, to a large extent, on the PRC domestic and international political, economic and financial developments and governmental policies, as well as the currency's supply and demand in the local and international markets. From 1994 to 2005, the conversion of Renminbi into foreign currencies was based on exchange rates set and published daily by PBOC in light of the previous day's interbank foreign exchange market rates in China and the then-current exchange rates on the global financial markets. The official exchange rate for the conversion of Renminbi into the U.S. dollar was largely stable until July 2005. On July 21, 2005, PBOC revalued Renminbi by reference to a basket of foreign currencies, including the U.S. dollar. As a result, the value of Renminbi appreciated by more than 2% on that day. Since then, PBOC has allowed the official Renminbi exchange rate to float against a basket of foreign currencies within a defined internal band. There can be no assurance that such exchange rate will not fluctuate widely against the U.S. dollar or any other foreign currency in the future. Since our income and profits are denominated in Renminbi, any appreciation of Renminbi will increase the value of dividends and other distributions payable by our PRC subsidiaries in foreign currency terms. Conversely, any depreciation of Renminbi will decrease the value of dividends and other distributions payable by our PRC subsidiaries in foreign currency terms. Fluctuation of the value of Renminbi will also affect the amount of our foreign debt service in Renminbi terms since we have to convert Renminbi into foreign currencies to service our indebtedness denominated in foreign currencies.

Interpretation of PRC laws and regulations involves uncertainty

Our core business is conducted within China and is governed by PRC laws and regulations. The PRC legal system is based on written statutes, and prior court decisions can only be used as reference. Since 1979, the PRC government has promulgated laws and regulations relating to economic matters such as foreign investment, corporate organization and governance, commerce, taxation and trade, with a view to developing a comprehensive system of commercial law. However, due to the fact that these laws and regulations have not been fully developed, and because of the limited volume of published cases and the non-binding nature of prior court decisions, interpretation of PRC laws and regulations involves a degree, sometimes a significant degree, of uncertainty.

Depending on the governmental agency or the presentation of an application or case to such agency, we may receive less favorable interpretations of laws and regulations than our competitors. In addition, any litigation in China may be protracted and result in substantial costs and diversion of resources and management attention. Any of these uncertainties may cause difficulties in the enforcement of our statutory and contractual rights and interests.

Any change in our tax treatment may have a material adverse impact on our business, financial condition and results of operations

Pursuant to the EIT Law, if our overseas members are deemed to be non-PRC resident enterprises for tax purposes without an office or premises in China, our Shareholders outside China will be subject to a withholding tax rate of 10% for any dividend paid by our subsidiary established in China unless they are entitled to certain tax reductions or exemptions, for example, by tax treaties.

The EIT Law provides that if an enterprise incorporated outside China has its “de facto management organization” within China, such enterprise may be deemed a PRC resident enterprise for tax purposes and may be subject to an enterprise income tax rate of 25% on its worldwide income. Most members of our management are located in China and, as they have remained there after the effective date of the EIT Law, our overseas Shareholders may be deemed PRC resident enterprises and therefore subject to an enterprise income tax rate of 25% on our worldwide income. As a result of these tax provisions, our historical results of operations will not be indicative of our results of operations for future periods, and the value of our Shares may be materially and adversely affected.

The EIT Law provides that dividend payments between qualified PRC resident enterprises are exempted from enterprise income tax, but due to the short history of the EIT Law, it remains unclear as to the qualification requirements for this exemption and whether dividend payments by our subsidiaries established in China will meet such qualification requirements.

The EIT Law also stipulates that if (i) an enterprise distributing dividends is domiciled in China or (ii) capital gains are realized from the transfer of equity interests in enterprises domiciled in China, then such dividends or capital gains are treated as PRC-sourced income. If our overseas Shareholders are deemed PRC resident enterprises for tax purposes, then (i) any dividends we pay to our non-resident overseas Shareholders and (ii) any capital gains realized by our non-resident Shareholders from transfers of our Shares may be regarded as PRC-sourced income and be subject to a PRC withholding tax rate of up to 10%.

As the EIT Law has only recently taken effect, it is uncertain how it will be implemented by the relevant PRC tax authorities. If dividend payments from our PRC incorporated subsidiaries to us are subject to the PRC withholding tax, it may have a material adverse effect on our business, financial condition and results of operations. If our dividend payments to our non-resident overseas Shareholders are subject to the PRC withholding tax, it may have a material adverse effect on your investment return and the value of your investment in us.

We are a holding company relying on dividend payments from our subsidiaries for funding, which is subject to restrictions under the PRC laws

We are a holding company incorporated in Bermuda, and we operate our core businesses through our subsidiaries in China. Therefore, the availability of funds for us to pay dividends to our Shareholders and to service our indebtedness depends upon dividends received from these PRC subsidiaries. If our subsidiaries incur debt or losses, their ability to pay dividends or other distributions to us may be impaired. As a result, our ability to pay dividends and to repay our indebtedness will be restricted. The PRC laws require that dividends be paid only out of the net profit of our PRC subsidiaries calculated according to PRC accounting principles, which differ in many aspects from generally accepted accounting principles in other jurisdictions, including IFRS. The PRC laws also require foreign invested enterprises to set aside part of their net profit as statutory reserves. These statutory reserves are not available for distribution as cash dividends. In addition, restrictive covenants in bank credit facilities or other agreements that we or our subsidiaries may enter into in the future may also restrict the ability of our subsidiaries to pay dividends to us. Therefore, these restrictions on the availability of our funding may impact our ability to pay dividends to our Shareholders and to service our indebtedness.

Our labor costs may increase with the enforcement of the Labor Contract Law and other labor-related regulations in China

The PRC Labor Contract Law 《中華人民共和國勞動合同法》 became effective and was implemented on January 1, 2008. This new labor law and its implementing rules have reinforced the protection for employees, who, under the existing PRC Labor Law, have certain rights, such as the right to have written labor contracts, the right to enter into labor contracts with no fixed terms under specific circumstances, the right to receive overtime wages when working overtime and the right to terminate or alter terms in the labor contracts. In addition, the Labor Contract Law and its implementing rules have amended the existing PRC Labor Law and added some clauses that could increase labor costs. As the Labor Contract Law and its implementing rules are relatively new, there remains certain uncertainty as to their interpretation and application by the PRC government. However, with the enforcement of the Labor Contract Law and other labor-related regulations in China, our labor costs may increase, which may materially and adversely affect our business and results of operations.

The national and regional economies in China and our prospects may be adversely affected by natural disasters, acts of God, and occurrence of epidemics

Our business is subject to general economic and social conditions in China. Natural disasters, epidemics and other acts of God beyond our control may adversely affect the economy, infrastructure and livelihood of the people in China. Some regions in China, including the cities where we operate, are under the threat of flood, earthquake, sandstorm, snowstorm, fire, drought, or epidemics such as Severe Acute Respiratory Syndrome, or SARS, H5N1 avian flu or the human swine flu, also known as Influenza A (H1N1). For instance, a serious earthquake and its successive aftershocks hit Sichuan Province in May 2008 and resulted in tremendous loss of lives and destruction of assets in the region. Past occurrences of epidemics, depending on their scale, have caused different degrees of damage to the national and local economies in China. A recurrence of SARS or an outbreak of any other epidemics in China, such as the H5N1 avian flu or the human swine flu, especially in the cities where we have operations or sales, may result in material disruptions to our production and our marketing and sales, which in turn may adversely affect our business, financial condition and results of operations.

PRC regulation of loans and direct investment by offshore holding companies to PRC entities may delay or prevent us from using the proceeds we receive from this Global Offering to make loans or additional capital contributions to our PRC subsidiaries, which could materially and adversely affect our liquidity and our ability to fund and expand our business

In utilizing the proceeds we receive from this Global Offering as an offshore holding company of our PRC subsidiaries, we may make loans to our PRC subsidiaries, or we may make additional capital contributions to our PRC subsidiaries. Any financing to our PRC subsidiaries is subject to PRC regulations and approvals. For example, loans by us to our wholly owned subsidiaries in China to finance their activities cannot exceed statutory limits and must be registered with the SAFE authorities. We may also decide to finance our PRC subsidiaries by means of capital contributions. These capital contributions must be approved by the MOFCOM authorities. We cannot assure you that we will be able to obtain these government registrations or approvals on a timely basis, if at all, with respect to future loans or capital contributions by us to our PRC subsidiaries. If we fail to receive such registrations or approvals, our ability to use the proceeds we receive from this Global Offering and to capitalize our PRC operations may be negatively affected, which could materially adversely affect our liquidity and our ability to fund and expand our business.

It may be difficult to effect service of process upon us or our Directors or executive officers who reside in mainland China or to enforce against them any judgments obtained from non-PRC courts

All of our executive Directors and executive officers reside within mainland China, and substantially all of our assets and substantially all of the assets of those persons are located within mainland China. Therefore, it may be difficult for you and other investors to effect service of process upon us or those persons inside mainland China or to enforce any judgments obtained from non-PRC courts against us or them in mainland China.

China does not have treaties providing for the reciprocal recognition and enforcement of judgments of courts with Bermuda and many other jurisdictions. Therefore, recognition and enforcement in China of judgments of a non-PRC court is subject to uncertainties.

RISKS RELATING TO OUR GLOBAL OFFERING

There has been no prior public market in Hong Kong for our Shares, and their liquidity and market price may be volatile

Prior to the Global Offering, there has been no public market in Hong Kong for our Shares. However, our Shares were listed on the SGX-ST from June 5, 2003 until the privatization of our Company and the Delisting in May 2010. The Shares previously listed on the SGX-ST and currently to be listed on the Stock Exchange have different trading characteristics, such as trading volume, liquidity and investor bases, including different levels of participation by individual and institutional investors. As a result of these differences, the historical prices of our Shares on the SGX-ST may not be indicative of the performance of our Shares to be listed on the Stock Exchange.

The initial indicative Offer Price range for our Shares as disclosed in this prospectus was the result of negotiations among the Selling Shareholders, the Joint Bookrunners on behalf of the Underwriters and us, and the Offer Price may differ significantly from the market price for our Shares following the Global Offering. We have applied for listing of, and permission to deal in, our Shares on the Stock Exchange. A listing on the Stock Exchange, however, does not guarantee that an active trading market for our Shares will develop, or if it does develop, will be sustained following the Global Offering or that the market price of our Shares will not decline following the Global Offering. In addition, there can be no assurance that the Global Offering will result in the development of an active and liquid public trading market for our Shares. Furthermore, the price and trading volume of our Shares may be volatile. Factors such as the following may significantly affect the volume and price at which our Shares will trade:

- actual or anticipated fluctuations in our results of operations;
- news regarding recruitment or loss of key personnel by us or our competitors;
- announcements of competitive developments, acquisitions or strategic alliances in our industry;

- changes in earnings estimates or recommendations by financial analysts;
- potential litigation or regulatory investigations;
- general market conditions or other developments affecting us or our industry;
- the operating and stock price performance of other companies, other industries and other events or factors beyond our control; and
- release of lock-up or other transfer restrictions on our outstanding Shares or sales or perceived sales of additional Shares by us, the Controlling Shareholder or other Shareholders.

In addition, the securities markets have, from time to time, experienced significant price and volume fluctuations that are not related to the operating performance of particular companies. For instance, during the global economic slowdown and financial market crisis that began around the middle of 2008, the global stock markets witnessed drastic price drops with heavy unprecedented selling pressure. Many stocks fell to a fraction of their highs in 2007. These market fluctuations may also materially adversely affect the market price of our Shares.

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

The Offer Price of our Shares is higher than the net tangible asset value per Share immediately prior to the Global Offering. Therefore, you and other investors in our Shares in the Global Offering will experience an immediate dilution in pro forma adjusted net tangible asset value to RMB0.70 (HK$0.83) per Share, based on the maximum Offer Price of HK$3.24.

In order to expand our business, we may consider offering and issuing additional Shares or equity-linked securities in the future. You and other investors in our Shares may experience further dilution in the net tangible assets book value per Share if we issue additional Shares at a price lower than the net tangible assets book value per Share at the time of their issuance.

We strongly caution you not to place any reliance on any information contained in press articles or other media regarding us and the Global Offering

Prior or subsequent to the publication of this prospectus, there has been or may be press and media coverage regarding us and the Global Offering, in addition to marketing materials published by us in compliance with the Listing Rules. We have not authorized any such press and media reports, and the financial information, financial projections, valuations and other information about us contained in such unauthorized press and media coverage may not truly reflect what is disclosed in this prospectus. We make no representation as to the appropriateness, accuracy, completeness or reliability of any such information or publication, and accordingly do not accept any responsibility for any such press or media coverage or the inaccuracy or incompleteness of any such information. To the extent that any such information appearing in the press and media is inconsistent or conflicts with the information contained in this prospectus, we disclaim it, and accordingly you should not rely on any such information. In making your decision as to whether to purchase our Shares, you should rely only on the information included in this prospectus.

Sales, or perceived sales, of substantial amounts of our Shares in the public market could materially and adversely affect the prevailing market price of our Shares

The Shares held by our Controlling Shareholders are subject to certain lock-up periods falling six and 12 months after the date on which trading in our Shares commences on the Stock Exchange, the details of which are set out in the section entitled "Underwriting" in this prospectus. We cannot assure you that, after such restrictions expire, our Controlling Shareholders will not dispose of any Shares. Sales of substantial amounts of our Shares in the public market, or the perception that these sales may occur, could materially and adversely affect the prevailing market price of our Shares.

We cannot guarantee the accuracy of facts, forecasts and other statistics with respect to China, the PRC economy and the PRC women's footwear industry contained in this prospectus

Facts, forecasts and other statistics in this prospectus relating to China, the PRC economy, the PRC women's footwear industry have been derived from various official government publications available in China as well as an industry report prepared by Euromonitor, and may not be consistent with other information compiled within or outside China. We cannot guarantee the quality or reliability of such source materials. They have not been prepared or independently verified by us, the Selling Shareholder, any Joint Sponsor, any Joint Global Coordinator, any Joint Bookrunner, any Joint Lead Manager, any Underwriter or any of our or their respective affiliates or advisors (including legal advisors), or other participants in this Global Offering and, therefore, we make no representation as to the accuracy of such facts, forecasts and statistics. We have, however, taken reasonable care in the reproduction and/or extraction of the official government publications and the Euromonitor Report for the purpose of disclosure in this prospectus. Due to possibly flawed or ineffective collection methods or discrepancies between published information and market practice, these facts, forecasts and statistics in this prospectus may be inaccurate or may not be comparable to facts, forecasts and statistics produced with respect to other economies. Further, there can be no assurance that they are stated or compiled on the same basis or with the same degree of accuracy as in other jurisdictions. Therefore, you should not unduly rely upon the facts, forecasts and statistics with respect to China, the PRC economy and the PRC women's footwear industry contained in this prospectus.