We were founded by Mr. Chen Yixi, Mr. Li Wei and Mr. Miao Bingwen in December 1995.

Shortly after the formation of Mayflower Footwear, we established production facilities in Nanjing and began to manufacture and market women's footwear under the brand name "千百度" ("Qianbaidu" in Chinese pinyin). In 1996, we set up sales offices and began selling "千百度" women's footwear through both proprietary outlets and third-party outlets.

In 2001, we constructed new production facilities in Dongguan, Guangdong province, which also housed our product design center. In the same year, we started our contract manufacturing business. In 2002, we established our research and development center in Foshan, Guangdong province.

In 2002, we adopted "C.banner" as the equivalent of our "千百度" brand name in English and marketed our merchandise under the brand name "C.banner." In the same year, Mayflower (Nanjing) Industries Limited and Dongguan Mayflower acquired the assets, business and undertakings relating to footwear business from Mayflower Footwear in preparation for the listing of our Company on the SGX-ST.

In 2004, we launched our second brand "EBLAN 伊伴" into the market. In June 2007, we established a joint venture with Brown Shoe to manufacture and sell "Naturalizer" footwear products in China.

Our business has been growing rapidly in line with the fast growth of the women's footwear market in China. The number of our proprietary outlets grew from about 110 in 2000 to 1,015 as of March 31, 2011 and the number of our third-party outlets grew from about 70 in 2000 to 344 as of March 31, 2011. According to the Euromonitor Report, we are the second largest retailer of mid-to-premium women's formal and casual footwear in China and our "C.banner 千百度" is the fourth largest mid-to-premium women's formal and casual footwear brand in China, both as measured by estimated retail revenue in 2010. To further expand our market share, we have established our third production base in Suining, Jiangsu province and have launched one additional self-developed footwear brand, "FABIOLA 範歐納," in the first half of 2011 and launched another self-development footwear brand, "SUNDANCE 太陽舞," into the market in August 2011.

The following sets forth the corporate history and development of each member of our Group since their respective dates of establishment/incorporation. Our principal operating entities are Nanjing Mayflower, Dongguan Mayflower, Nanjing Soft, Nanjing Ruihe and Suining Shufute which are the Company's indirect wholly-owned subsidiaries. In addition, our Group and Brown Shoe Asia have formed a joint venture company, namely Hong Kong B&H, which is owned indirectly by our Company as to 49%. We also underwent the Reorganization in contemplation of the Global Offering, particulars of which are set forth in the section entitled "Reorganization" in this prospectus.

**Our Company**

Our Company was incorporated in Bermuda on April 26, 2002 under the Companies Act under the name "MF International Holdings Limited" and subsequently changed its name to "Hongguo International Holdings Limited" on January 22, 2003. Our Company undertook a restructuring exercise and was listed on the SGX-ST on June 5, 2003. It remained listed on the SGX-ST for nearly seven years until the privatization of our Company which was completed on May 5, 2010 and the subsequent Delisting with effect from May 6, 2010.

## Investment Holding Companies of Our Group

***Allied Great***

Allied Great was incorporated with limited liability in Hong Kong on November 21, 2007. At its incorporation, the authorized share capital of Allied Great was HK$10,000 divided into 10,000 shares of HK$1.00 each, of which one subscriber share was allotted and issued to the initial subscriber. On December 5, 2007, the subscriber share was transferred to the Company.

***Best Invent***

Best Invent was incorporated in the BVI with limited liability on May 3, 2002. At its incorporation, Best Invent was authorized to issue a maximum of 50,000 shares of a single class each with a par value of US$1.00, of which two shares were allotted and issued to our Company on May 30, 2002.

***Best Value***

Best Value was incorporated in the BVI with limited liability on September 26, 2001. At its incorporation, Best Value was authorized to issue a maximum of 50,000 shares of a single class each with a par value of US$1.00, of which two subscriber shares were allotted and issued to Liu Yunguang, an Independent Third Party, on December 28, 2001. On July 17, 2002, our Company acquired the two subscriber shares for the nominal consideration of US$2.00.

***China Ease***

China Ease was incorporated in Hong Kong with limited liability on October 31, 2007. At its incorporation, the authorized share capital of China Ease was HK$10,000 divided into 10,000 shares of HK$1.00 each, of which one subscriber share was allotted and issued to the initial subscriber. On December 5, 2007, one subscriber share was transferred to our Company.

## Principal Operating Entities of Our Group

***Nanjing Mayflower***

Nanjing Mayflower was established in China on March 3, 2004 with an initial registered capital of US$15,000,000 by Best Invent. On October 25, 2007, the registered capital of Nanjing Mayflower was increased from US$15,000,000 to US$18,000,000. On December 5, 2007, Allied Great entered into an equity transfer agreement with Best Invent to acquire the entire equity interests in Nanjing Mayflower from Best Invent for a consideration of US$18,000,000. Nanjing Mayflower is principally engaged in retail sale of our branded footwear.

***Dongguan Mayflower***

Dongguan Mayflower was established in China on July 30, 2002 with a registered capital of US$1,000,000 by Best Invent. Dongguan Mayflower is our operating arm for ODM and OEM businesses.

***Nanjing Soft***

Nanjing Soft was established in China on December 15, 2005 with a registered capital of US$5,000,000 by Best Value. On December 5, 2007, China Ease entered into an equity transfer agreement with Best Value to acquire the entire equity interests in Nanjing Soft from Best Value for a consideration of US$5,000,000. On February 13, 2009, the registered capital of Nanjing Soft was increased from US$5,000,000 to US$10,000,000. Nanjing soft is principally engaged in the manufacture of our branded footwear.

***Nanjing Ruihe***

Nanjing Ruihe was established in China on June 18, 2009 with a registered capital of RMB20,000,000. On October 22, 2009, Peng Jun, an Independent Third Party, transferred the entire equity interest in Nanjing Ruihe to Nanjing Ji Nan City Trading Limited (南京紀南城商貿有限公司), an Independent Third Party. On October 26, 2009, Nanjing Soft entered into an equity transfer agreement with Nanjing Ji Nan City Trading Limited to acquire its 100% equity interests in Nanjing Ruihe for a consideration of RMB27,000,000. Nanjing Ruihe is our property holding company which holds our property located at Nanjing International Trade Center in Nanjing and does not engage in our main operating activities.

***Suining Shufute***

Suining Shufute was established in China on January 28, 2010 with a registered capital of US$5,000,000 and is owned as to 75% and 25% by Nanjing Soft and China Ease, respectively. Suining Shufute is mainly responsible for producing upper units to support the footwear production at our Donguan and Nanjing facilities.

**Joint Venture Investments**

***Hong Kong B&H***

Hong Kong B&H, the holding company of Dongguan B&H, was incorporated in Hong Kong with limited liability on May 29, 2007. Upon its incorporation, the authorized share capital of Hong Kong B&H was HK$10,000 divided into 1,000 shares of HK$10 each. On June 14, 2007, one subscriber share was transferred from the initial subscriber to Brown Shoe Asia; and 50 shares and 49 shares were issued and allotted to Brown Shoe Asia and Best Invent, respectively. Upon completion of transfer of the subscriber share and the issue and allotment of shares, Hong Kong B&H was owned as to 51% and 49% by Brown Shoe Asia and Best Invent, respectively.

The authorized share capital of Hong Kong B&H was increased from HK$10,000 to HK$39,000,000 on July 3, 2007, and was further increased to HK$43,000,000, HK$52,000,000 and HK$58,100,000 on December 17, 2008, August 27, 2010 and July 8, 2011, respectively.

Thereafter, additional 3,509,900, 780,000, 833,578 and 601,133 shares in Hong Kong B&H were allotted and issued to Brown Shoe Asia and Best Invent on December 31, 2007, December 24, 2008, August 27, 2010 and July 8, 2011, respectively, in proportion to their respective 51% and 49% shareholding interests.

***Dongguan B&H***

Dongguan B&H was established in China on August 23, 2007 by Hong Kong B&H. The registered capital of Dongguan B&H is US$7,000,000, which has been fully paid up by Hong Kong B&H as at the Latest Practicable Date. Dongguan B&H is principally engaged in the retail of our licensed brand "Naturalizer."

**Previous Subsidiaries of Our Group During the Track Record Period**

***Dongguan Industries***

Dongguan Industries was established in China on October 8, 2005 with a registered capital of US$1,000,000 by Best Invent. However, Dongguan Industries had not commenced any business activity since its establishment when its business licence was revoked by the relevant PRC Government authorities on August 1, 2008. Subsequently, liquidation of Dongguan Industries was approved by the relevant PRC government authorities on August 19, 2008. Dongguan Industries was deregistered by Dongguan Administration for Industry and Commerce on March 17, 2011.

***Jiangsu Unity***

The Group had been carrying on apparel distribution and retail business through Jiangsu Unity since 2004. In preparation for the Listing, the Group implemented the Reorganization to dispose of its interests in Jiangsu Unity with a view to focus on its footwear business. Jiangsu Unity had been generating profits since its establishment, but encountering loss in recent years as a result of the change in business strategies of the apparel brand owners. Since apparel distribution and retail business was not the Group's core business and the operating results of Jiangsu Unity were not promising in previous years, the Directors considered that the disposal of Jiangsu Unity to allow the Group to further focus on its footwear business was in the interests of the Group and did not have any negative impact on the Group and its footwear business as a whole.

On December 8, 2010, Nanjing Mayflower and Dongguan Mayflower entered into an equity transfer agreement with Hongguo Industry to dispose of their respective 90% and 10% equity interests in Jiangsu Unity for a total consideration of RMB34,550,000, which was determined after arm's length negotiations with reference to the net asset value of Jiangsu Unity immediately before the disposal. As at the Latest Practicable Date, Hongguo Industry was owned by Mr. Chen Yixi, Mr. Li Wei and Mr. Miao Bingwen as to 37%, 33% and 30%, respectively. After the above disposal, Jiangsu Unity ceased to be a subsidiary of the Group and as the Group no longer has any interest in the apparel distribution and retail business, neither Jiangsu Unity nor Hongguo Industry or any of its subsidiaries compete with the business of the Group. All assets and liabilities of Jiangsu Unity including its apparel distribution and retail business have remained with Jiangsu Unity and, accordingly, the operation of Jiangsu Unity should not have any negative impact on the core operations of the Group or the Group as a whole or on the financial results of the core operations of the Group.

**Delisting of the Company from the SGX-ST**

On January 18, 2010 ("Privatization Offer Announcement Date"), DBS Bank Ltd., for and on behalf of Info Giant, announced that Mr. Chen Yixi, Mr. Li Wei and Mr. Miao Bingwen ("Undertaking Shareholders"), through Info Giant, intended to make a privatization offer to acquire all the shares of US$0.015 each in the capital of our Company, other than those shares held by Info Giant ("Privatization Shares"), with a view to seeking the voluntary delisting of our Company from the SGX-ST, at an offer price of S$0.439 in cash per share.

The privatization offer closed on March 22, 2010. Following the closing of the privatization offer, valid acceptances in respect of 386,244,977 Privatization Shares, representing approximately 97.32% of the then issued share capital of our Company, had been received. Subsequently, Info Giant exercised its right of compulsory acquisition under Section 103 of the Companies Act to compulsorily acquire all the shares held by the shareholders who had not accepted the privatization offer. The compulsory acquisition was completed on May 5, 2010 and our Company was delisted from the SGX-ST on May 6, 2010.

In connection with the privatization offer, an irrevocable undertaking was given by each of the Undertaking Shareholders to Info Giant to accept the privatization offer in respect of their respective shareholding interests in our Company. In addition, Info Giant entered into subscription agreements with each of the Undertaking Shareholders and their respective investment holding companies, namely High Score, Media Value and Sure Manage, pursuant to which the investment holding companies agreed to subscribe for new shares in Info Giant for a consideration equivalent to the proceeds to be received from the acceptance of the privatization offer by them.

The cash consideration under the privatization offer was funded by the Info Giant Loan Facility from DBS Bank Ltd., Hong Kong Branch, an affiliate of DBS, as lender which made available funds in an aggregate amount of up to US$40 million. The Info Giant Loan Facility was secured by, inter alia, the Share Charge over all the shares in the capital of our Company held by Info Giant. To facilitate the Reorganization in preparation for the Listing, the outstanding loan amount of the Info Giant Loan Facility of approximately US$9.8 million as at March 9, 2011 was repaid in full by Info Giant and all securities relating to the Info Giant Loan Facility including the Share Charge were released on March 9, 2011. In substitution for the Info Giant Loan Facility, our Company and DBS Bank Ltd., Hong Kong Branch, entered into a term facility agreement on March 9, 2011, pursuant to which DBS Bank Ltd., Hong Kong Branch, agreed to make available to our Company the Hongguo Loan Facility in an aggregate amount of up to US$10 million. The Hongguo Loan Facility is secured by the following:

- personal guarantees given by each of Mr. Chen Yixi, Mr. Li Wei and Mr. Miao Bingwen;
- share charges created by each of High Score, Media Value and Sure Manage over their respective shareholding interests in our Company;
- share charges created by each of Mr. Chen Yixi, Mr. Li Wei and Mr. Miao Bingwen over his entire shareholding interests in High Score, Media Value and Sure Manage, respectively; and
- the debenture created by our Company by way of a first fixed and floating charge over all of our assets and undertaking.

The outstanding amount of the Hongguo Loan Facility was US$10 million as of July 31, 2011. It is expected that part of the proceeds from the Global Offering will be used to repay part of the outstanding amount of the Hongguo Loan Facility with the remaining amount to be repaid with our internal funds and all securities and guarantees relating to the Hongguo Loan Facility will be released upon Listing. Please refer to the section entitled “Use of Proceeds” in this prospectus.

The principal reasons for the privatization offer were:

- The trading liquidity of the shares of our Company on the SGX-ST in the preceding year was generally thin. The average daily trading volume of the shares of our Company on the SGX-ST was approximately 1,018,184 shares over the 12-month period from January 14, 2009 to January 13, 2010 (being the last trading day of shares of our Company on the SGX-ST prior to Privatization Offer Announcement Date), representing only approximately 0.26% of the then issued share capital of our Company. We believed that the trading price of our Company on the SGX-ST might not reflect the underlying values of our business because of the lack of liquidity; and

- The privatization offer represented a clean cash exit opportunity for accepting shareholders to realize their investment at an attractive premium over the market price of the shares of our Company on the SGX-ST prior to the Privatization Offer Announcement Date. The offer price under the privatization offer represented a premium of approximately 31.44% to 69.50% over the one-month, three-month, six-month and 12-month volume weighted average price of the shares of our Company. The offer price also represented a premium of approximately 37.19% and 119.50% over the last transacted price as quoted on the SGX-ST on January 13, 2010 (being the last trading day of shares of our Company on the SGX-ST prior to the Privatization Offer Announcement Date) and our Company's initial public offering price on the SGX-ST, respectively.

As a company engaged in the design, manufacture and sale of women's footwear business with operations in China, we believe that the trading liquidity and valuation of the Shares of our Company could be improved if we were to be listed on an exchange where our comparable companies are traded, such as the Stock Exchange.

Details of the change in the share capital of our Company are set out in the section entitled "Further Information about our Company and its Subsidiaries—Change in Share Capital of our Company" in Appendix VII to this prospectus.