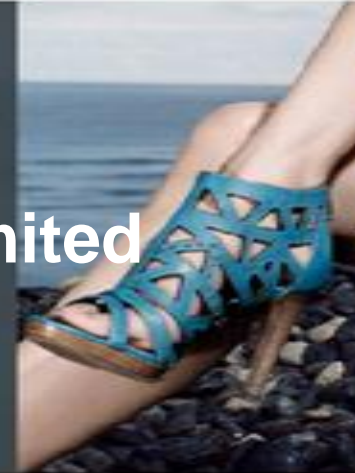


November, 2011

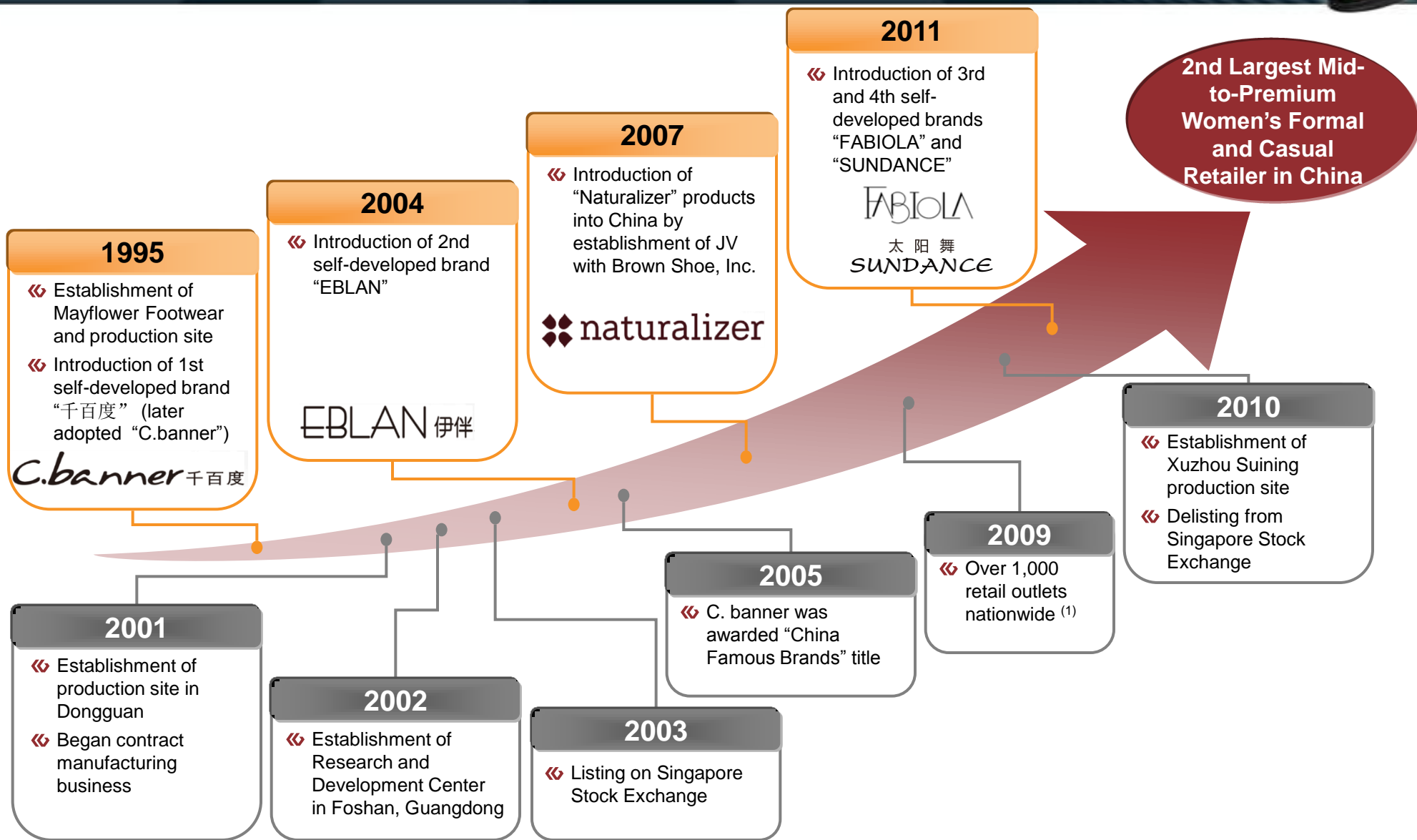
Hongguo International Holdings Limited





1. Company Overview

Company History



(1): including both proprietary and third-party outlets.

Company Overview

Hongguo: Leading Multi-brand Operator in the Mid-to-Premium Women's Footwear Market in China

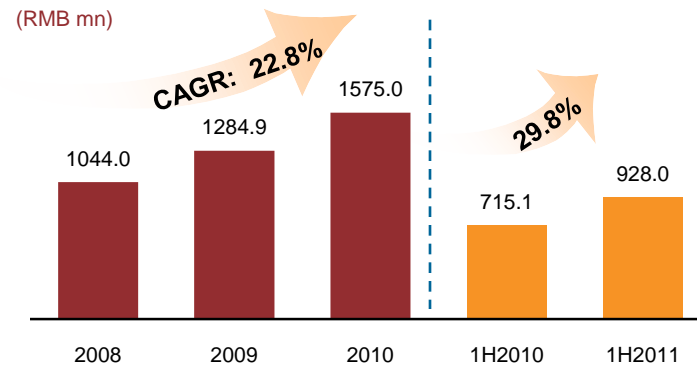
- The 2nd largest retailer of mid-to-premium women's formal and casual footwear in China.



Financial Highlights

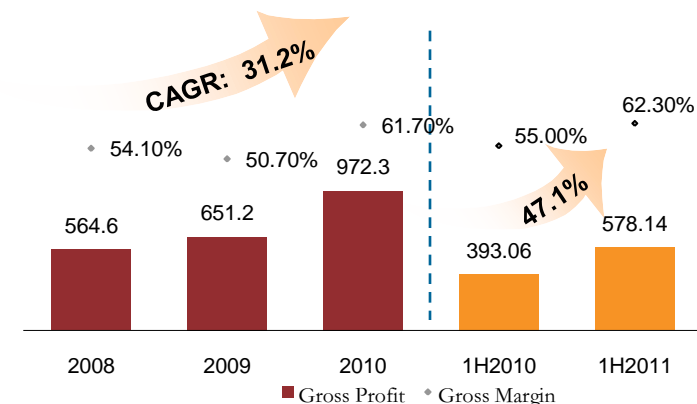
Revenue

(RMB mn)



Gross Profit and Gross Margin

(RMB mn, %)





2. Investment Highlights



Investment Highlights



1.

Strong Underlying Market Fundamentals
- High Growth of Women's Footwear Industry in the PRC



2.

Market Leader in the Most Attractive Segment



3.

Multi-brand Portfolio with a Broad Customer Base



4.

Extensive Distribution Network Throughout China



5.

Responsive Supply Chain Through Vertically Integrated Business Model



6.

Dedicated and Customer Focused Research and Development Capabilities



7.

Experienced and Dedicated Management Team

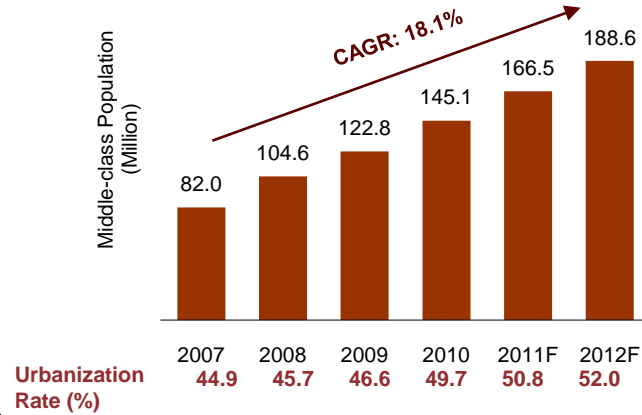




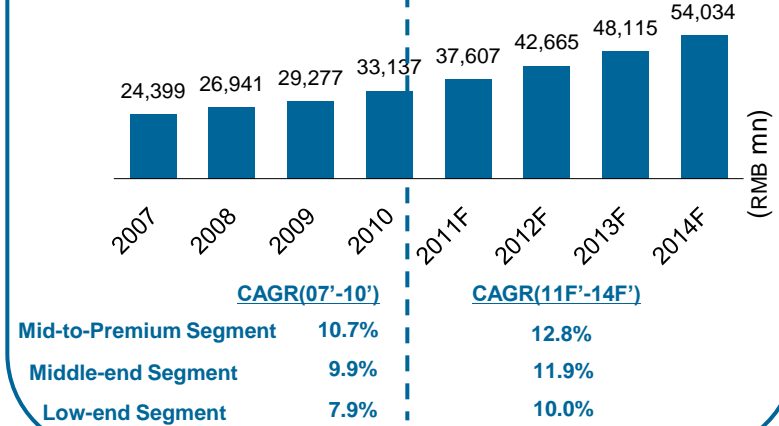
Strong Underlying Market Fundamentals - High Growth of Women's Footwear Industry in the PRC



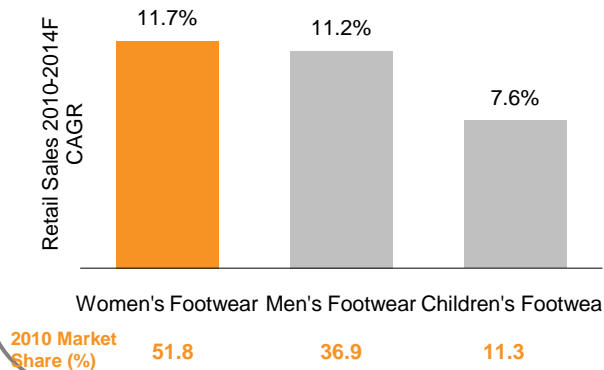
Rising Urbanization with Booming Middle-Class Population



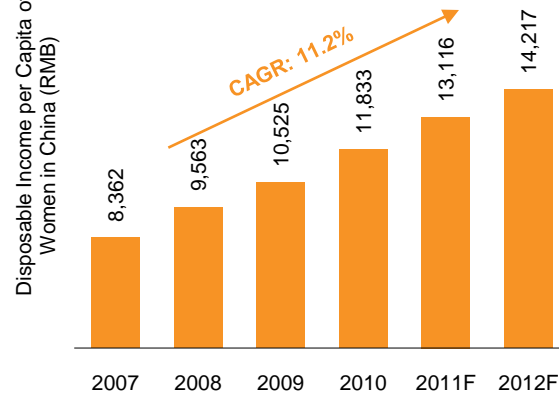
2007-2014F Retail Sales of Mid-to-Premium Women's Footwear in China



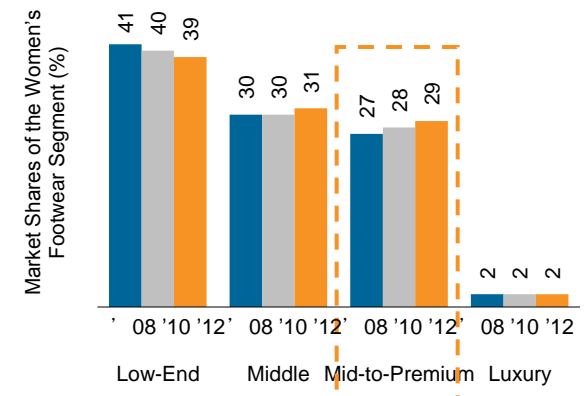
Women's Footwear Outpacing Other Segments



Women Becoming Financially Independent



Mid-to-Premium Gaining Market Share



Information in this presentation on the women's footwear market in the PRC is from independent market research carried out by Euromonitor International Ltd. but should not be relied upon in making, or refraining from making, any investment decision.











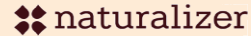












2. Market Leader in the Most Attractive Segment



2nd Largest Retailer in the Mid-to-Premium Women's Formal and Casual Footwear Market

Top Five Retailers of Mid-to-Premium Women's Formal and Casual Footwear in China

| Company | Market Share ⁽¹⁾ | Major Brands |
|--|-----------------------------|--|
|  BELLE GROUP | 46.0% |  BELLE  teemix  Joy & Peace  STACCATO  Tata  MIRABELL |
|  HONGGUO INTERNATIONAL | 6.5% |  C.banner  EBLAN  naturalizer  FABIOLA  SUNDANCE |
|  TOP SCORE KUNING 天创鞋业 | 4.2% |  KISSCAT |
|  ST&SAT 星期六 | 3.7% |  ST&SAT  FONDBERYL® |
|  le saunda | 3.2% |  le saunda  GE |

✓ Increasing market share, from **4.7%** in 2008 to **6.5%** in 2010 ⁽¹⁾

✓ One of few **multi-brand** operators

✓ Focused on **department stores**, the primary retail channel for mid-to-premium women's footwear in China

✓ Supported by strong **marketing campaigns**

(1): according to Euromonitor, as measured by its 2010 estimated retail revenue.

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3. Multi-brand Portfolio with a Broad Customer Base



Multiple Brands Targeting A Broad Customer Base in the Mid-to-Premium Formal and Casual Segment

| | Launched | Customer Base (Age) | Price Range (RMB) | Positioning | Highlight | |
|--|-------------|---------------------|-------------------|--|--|---|
|  C.banner 千百度 | 1996 | 20-40 | 500-2,500 | « Fashion/Business/ /Business Casual |  4th largest brand in the mid-to-premium formal and casual segment ⁽¹⁾ |  |
|  EBLAN 伊伴 | 2004 | 20-35 | 500-2,500 | « Fashion/Business/ /Business Casual |  47.4% CAGR of retail revenue from 2008 to 2010 |  |
|  naturalizer | 2H 2007 | 25-44 | 650-3,000 | « Casual/ Comfortable |  A leading women's footwear brand in the US |  |
|  FABIOLA | 1H 2011 | 25-39 | 1,000-3,000 | « Premium Fashion/ Business/Business Casual | New |  |
|  太阳舞 SUNDANCE | August 2011 | 18-35 | 400-2,200 | « Casual | New |  |

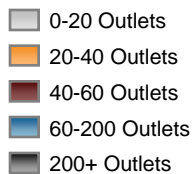
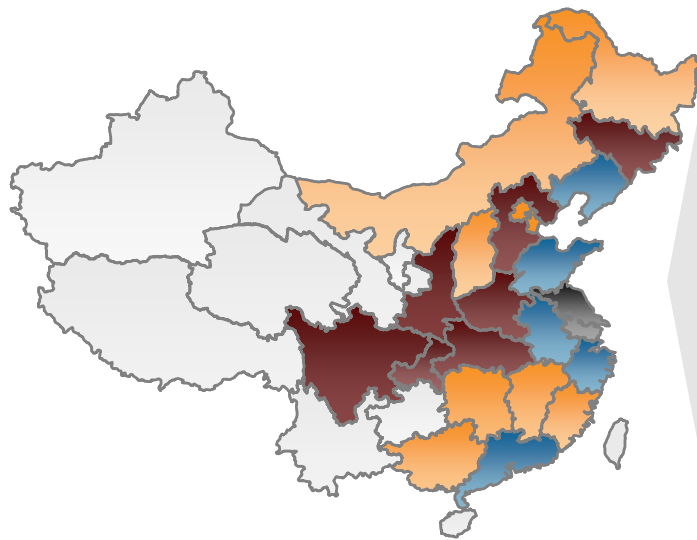
(1): according to Euromonitor, based on 2010 estimated retail revenue.



4. Extensive Distribution Network Throughout China



1,181 proprietary outlets and **421** third-party outlets across China



Proprietary Outlets

- Primarily located in first-to-third-tier cities
 - To target at the customers with stronger spending power
- Focus on department stores
 - 1,593 department store outlets and 9 independent store outlets

710

378

57

36

1,181

C.banner 千百度

EBLAN 伊伴

naturalizer

太阳舞
SUNDANCE

TOTAL

Third-party Outlets

- Primarily located in lower tier cities
 - To expand in a cost-effective manner
- Established by authorized distributors
 - 204 authorized distributors

299

121

-

1

421

Note: all data as of September 30, 2011

5. Responsive Supply Chain Through Vertically Integrated Business Model

We Operate on a Vertically Integrated Model and Control All Key Supply Chain Functions

Customer Service

- « Direct customer access
- « By July 31 2011, our VIP customer base has grown to:
 - “C.banner”: 216,568 VIPs
 - “EBLAN”: 41,685 VIPs
- « Very high customer interaction

Design

- « Developed to capture the latest fashion trends and customer preferences
- « Separate design teams for each brand to promote product uniqueness

Marketing

- « Extensive distribution network
- « Strategic locations
- « Strong marketing campaigns
- « Full control over brand positioning and pricing

Manufacturing

- « 3 production facilities located in Nanjing, Dongguan and Suining
 - Total GFA of 70,445 sq.m
 - Total annual production capacity of 5.4million pairs
- « Efficient and cost-effective manufacturing



Significant operational **flexibility**



Quick response to changing market trends and customer tastes with **suitable** products



Enhanced operational **efficiency** and **competitiveness**

6. Dedicated and Customer Focused Research and Development Capabilities

Strategically Located R&D Center with Strong Design Capacity



- ✓ Located at **Foshan**, next to Guangzhou, the hub of China's footwear industry
- ✓ Total GFA of approx. **15,000 m²**, **223** employees
- ✓ Designs up to **6,400 SKUs** per year for each of our 'C.banner' and 'EBLAN' brands
- ✓ Design managers for our self-developed brands, on average, have **7 years** of experience in footwear design

Systematic Research, Design and Development Capabilities

Market Research

- ⌘ Regularly attend trade exhibitions and conduct field studies in Hong Kong and Europe; and collect market information from professional websites and publications
- ⌘ Customer focused designs targeting at a broad customer base with differentiated products

Product Design

- ⌘ Decide on seasonal themes including styles, colors, materials and other features; Create sample shoes to be tried on by models to test for proper fitting and wearing comfort
- ⌘ Our creative and R&D director collaborate together to launch a series of shoe designs closely tracking international fashion trends

Product Development

- ⌘ Determine the manufacturing process and cost
- ⌘ Further discussions to rectify any problems discovered in the manufacturing process
- ⌘ Determine quantities of subsequent batches based on consumer response and weekly sales records

7. Experienced and Dedicated Management Team



| Name | Title | Industry Experience | Experiences |
|----------------------------|-------------------------------|---------------------|--|
| Executive Directors | | | |
| CHEN Yixi | Chairman and Co-founder | > 15 yrs | <ul style="list-style-type: none"> ⌘ Outstanding Entrepreneur of Non-State-owned Companies ⌘ Vice Chairman of Nanjing Federation of Industry and Commerce ⌘ Vice President of Nanjing Enterprise Directors Association ⌘ B.A. in News Propagation, Nanjing Normal university ⌘ MBA from Cheung Kong Graduate School of Business |
| LI Wei | CEO, President and Co-founder | > 15 yrs | <ul style="list-style-type: none"> ⌘ B.S. in Chemistry, Nanjing University ⌘ MBA from China Europe International Business School |
| ZHAO Wei | VP | > 15 yrs | <ul style="list-style-type: none"> ⌘ Major in Fishery Science, Jilin Agricultural University ⌘ MBA from Nanyang Technological University |
| HUO Li | VP | > 10 yrs | <ul style="list-style-type: none"> ⌘ Over 13 years of extensive experience in banking ⌘ B.A. in Economics, Fudan University |
| XU Tingyu | CFO | > 10 yrs | <ul style="list-style-type: none"> ⌘ Over 12 years of extensive experience in banking ⌘ Non-practicing member of the PRC Certified Public Accountants Association ⌘ M.S. in Accountancy, Nanjing University |

- ✓ Over **65 years** of combined industry experience
- ✓ One of the **leaders** in the women's footwear industry
- ✓ Inspirational **leadership** with clear **vision** and **strategy**
- ✓ Extensive industry and operating **experience** and **knowledge**
- ✓ Proven **capability** in operation and business development

Management Team



Executive Directors

Mr. HUO Li

VP

- « Responsible for opportunities' evaluation, and mergers and acquisitions planning as well as international cooperation



Mr. CHEN Yixi Chairman & Co-founder

- « Responsible for charting our business strategy



Mr. LI Wei

CEO, President &
Co-founder

- « Responsible for overseeing our operations, finance and human resource management

Mr. ZHAO Wei

VP

- « Responsible for our expansion strategies and wholesale business

Mr. XU Tingyu

CFO

- « Responsible for financial management

Future Strategies

- « Increase Channel Quality
- « Strengthen Product Management
- « Strengthen Staff Management
- « Improve Sales and Marketing Capability
- « VIP Program – Improve Shopping Experience

- « Expand Manufacturing Facilities
- « Optimize Inventory Level
- « Upgrade Business Intelligence System
- « Develop Strategic Relationship with Suppliers

Increase Same-Store Sales of Our Retail Outlets

Enhance Operating Capabilities and Efficiencies

Network Expansion

Expand Brand Portfolio

Expand through Selective Acquisitions

- « Multi-brand Portfolio to Increase Market Share
- « 2 New Brands in 2011

- « Generate Synergies
- « Expand business in a time efficient manner
- « Enhance competitiveness and strengthen market position

- « New Outlets Opening in 2011
- « Internet Sales



3. Financial Highlights

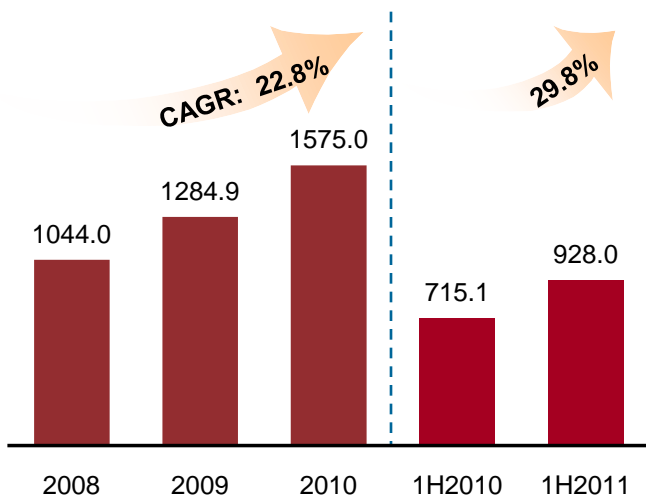


Strong Revenue Growth

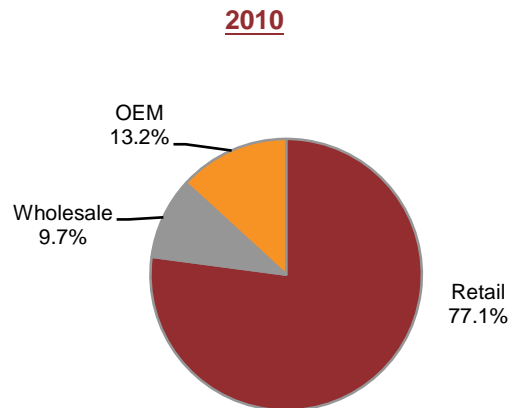


Revenue

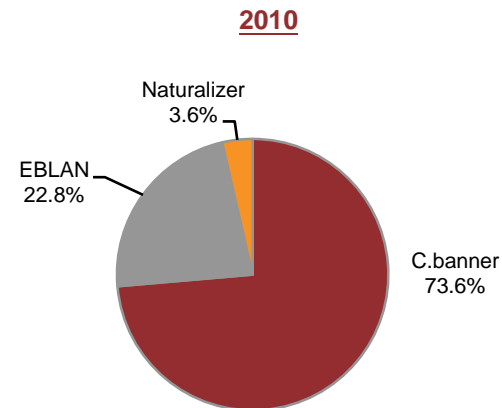
(RMB mn)



Revenue Mix



Retail Revenue Breakdown



«Same-store sales growth of **17.7%** from 2008 to 2009, **12.3%** from 2009 to 2010, **12.6%** from 1H2010 to 1H2011 and **15.8%** for the first three quarters of 2011 for proprietary outlets

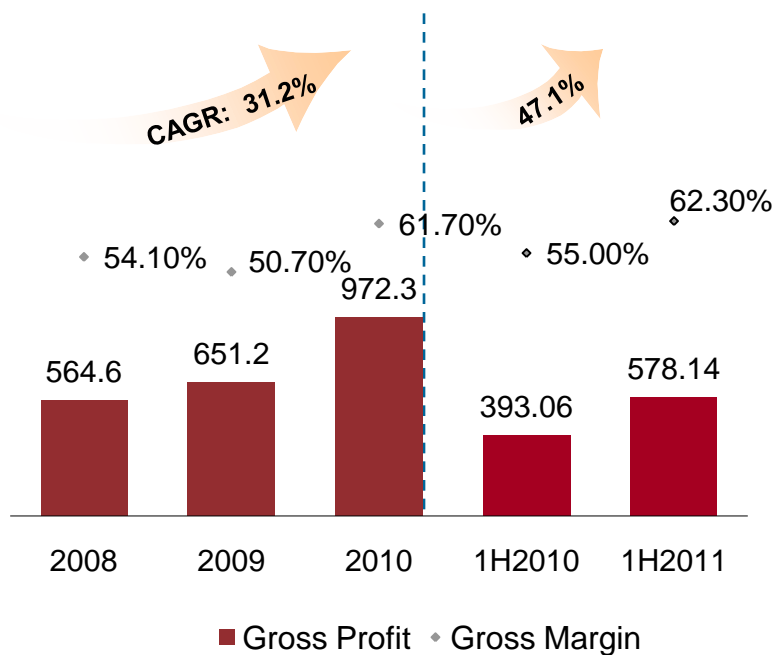
We have experienced significant revenue growth over the past 3 years and in the first three quarters this year, all business segments have enjoyed strong growth momentum

Strong and Rising Profitability



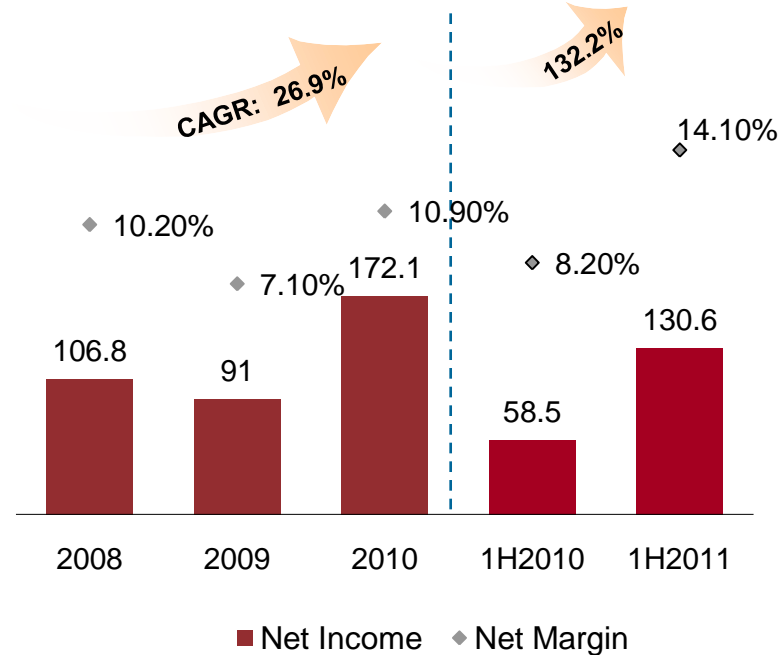
Gross Profit and Margin

(RMB mn, %)



Net Income and Margin⁽¹⁾

(RMB mn, %)



Note:

(1) Net Income is net profit for the year/period from continuing operations.

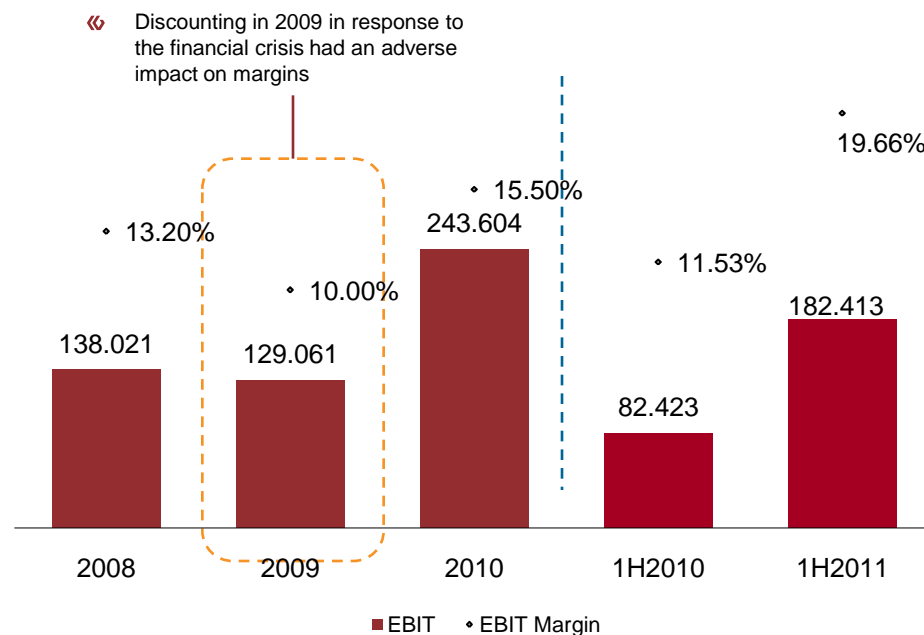
Through same-store-sales growth and strict control on costs, we have been able to increase our margins significantly

Strong and Rising Profitability

Breakdown of Costs

| RMB mn | 2008 | 2009 | 2010 | 1H10 | 1H11 |
|-------------------------------------|-------|-------|-------|-------|-------|
| Cost of Sales | 479.4 | 633.7 | 602.7 | 322.0 | 349.9 |
| As % of Sales | 45.9% | 49.3% | 38.3% | 45.0% | 37.7% |
| Distribution and Selling Expenses | 378.8 | 468.0 | 653.0 | 271.2 | 359.7 |
| As % of Sales | 36.3% | 36.4% | 41.5% | 37.9% | 38.8% |
| Administrative and General Expenses | 55.6 | 64.9 | 84.8 | 42.9 | 35.1 |
| As % of Sales | 5.3% | 5.1% | 5.4% | 6.0% | 3.9% |
| Other Income and Gains | 7.8 | 10.8 | 9.1 | 3.4 | (0.9) |
| As % of Sales | 0.7% | 0.8% | 0.6% | 0.4% | - |

EBIT and Margin (RMB mn, %)

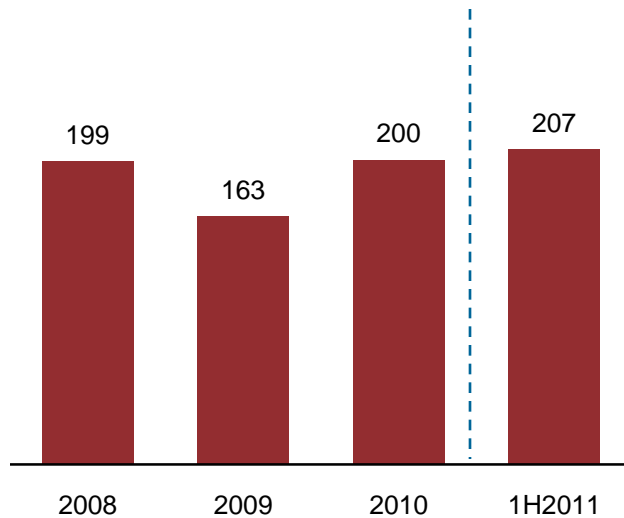


Our impressive margin uplift in 2010 and 1H 2011 is largely due to our effective cost control of raw material costs

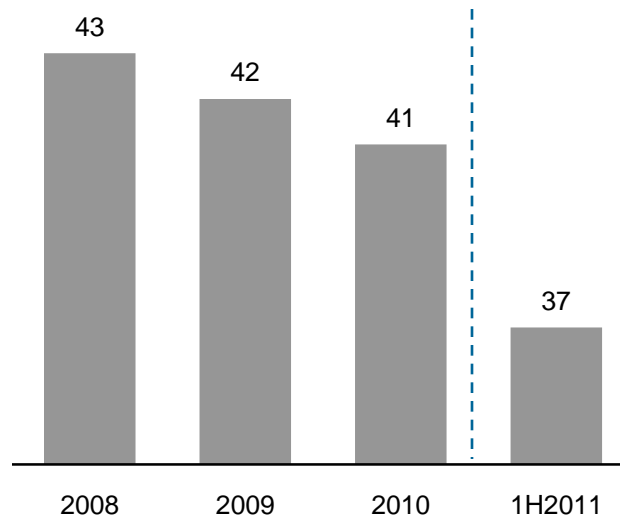
Working Capital Analysis



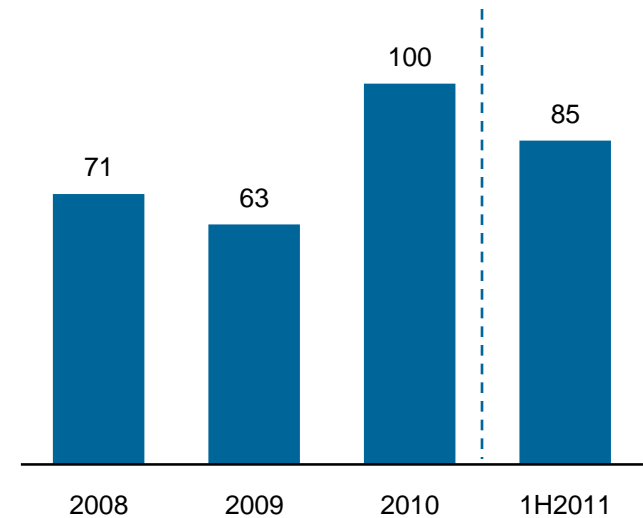
Inventory Days⁽¹⁾



Trade Receivable Days⁽²⁾



Trade Payable Days⁽³⁾



Notes: Inventory turnover days, trade receivable days and trade payable days are all for continuing operations

(1) Average inventory turnover (days) for continuing operations equals average inventory divided by cost of sales and multiplied by 365 for a year and 91 days for a three-month period

(2) Average trade receivables turnover (days) for continuing operations equals average trade receivables divided by revenue and multiplied by 365 for a year and 91 days for a three-month period

(3) Average trade payable turnover (days) for continuing operations equals average trade payables divided by the cost of sales and multiplied by 365 for a year and 91 days for a three-month period

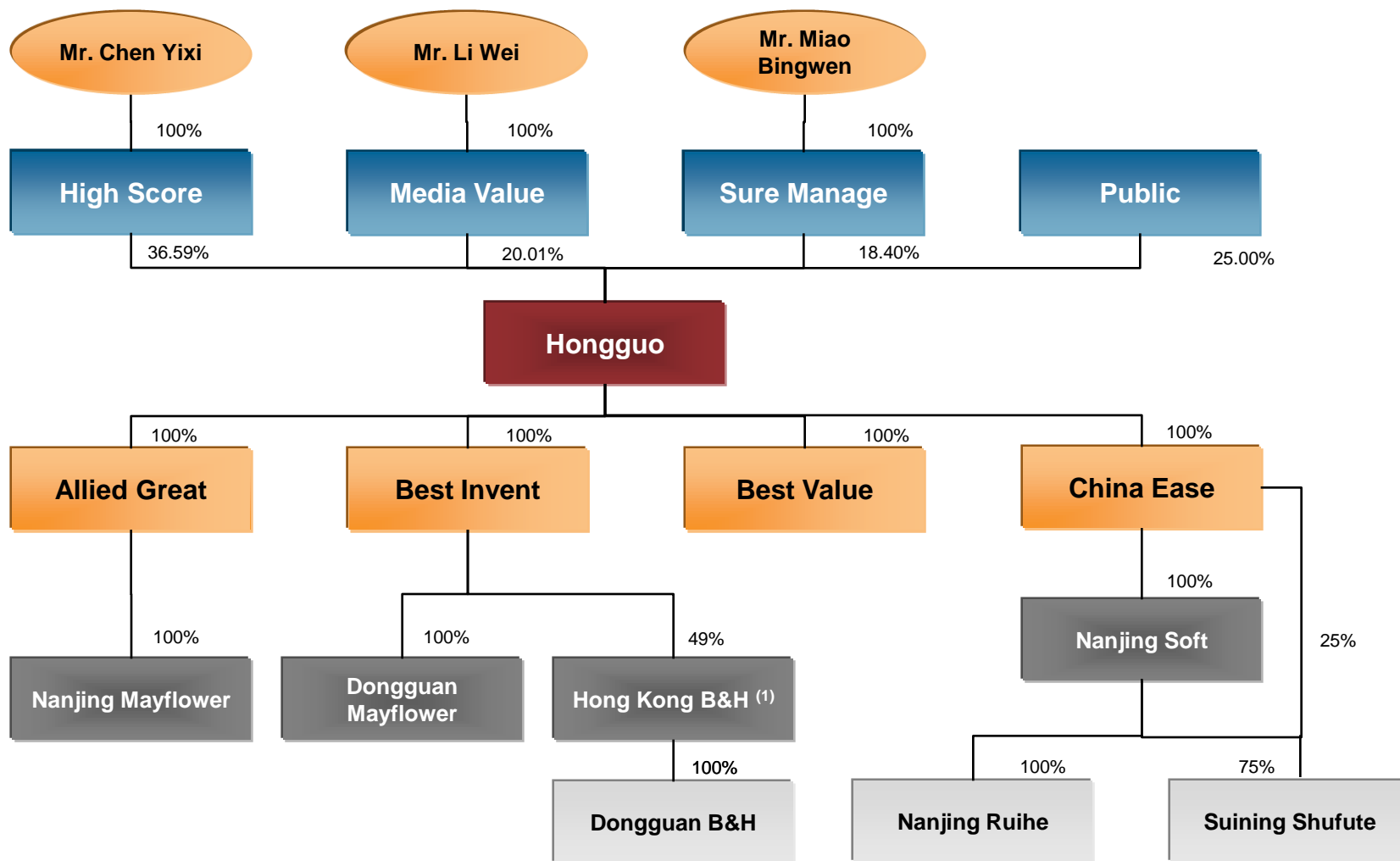
Hongguo displays effective working capital management with stable / improving working capital



4. Appendix



Corporate Structure Post-IPO



Notes:

(1) Hong Kong B&H is a joint venture company owned as to 49% by Best Invent and 51% by Brown Shoe Asia.

Historical Store Numbers

Launched Brands

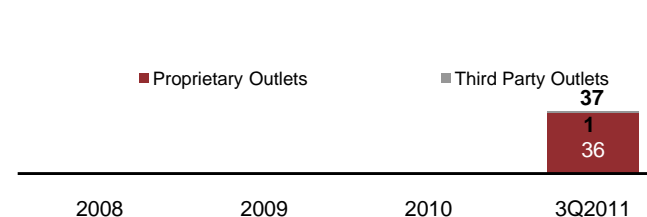
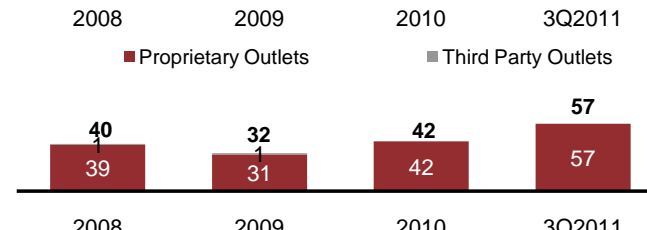
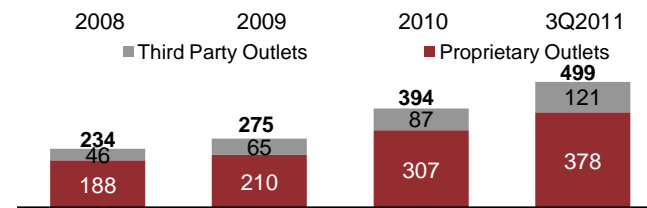
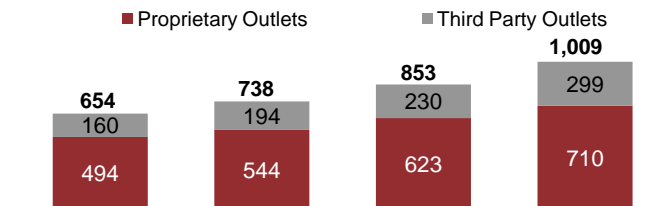
C.banner 千百度

EBLAN 伊伴

naturalizer

太阳舞
SUNDANCE

Number of Outlets



Our robust sales growth is driven by our broad, extensive sales network of four strong women's footwear brands