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## DEFINITIONS

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*In this prospectus, unless the context otherwise requires, the following terms shall have the meanings set out below. Certain other terms are explained in the section headed “Glossary of Technical Terms.”*

“Accountants’ Report”	the accountants’ report of Hontex International Holdings Company Limited dated 14 December 2009 addressed to the Directors and the Sole Sponsor
“Affiliate”	any other person or entity, directly or indirectly, controlling or controlled by or under direct or indirect common control with a specified person or entity
“Application Form(s)”	white, yellow and green application form(s), or where the context so requires, any of them
“Articles of Association” or “Articles”	the articles of association of our Company, adopted on 27 November 2009 and as amended from time to time
“associates”	has the meaning ascribed to it under the Listing Rules
“Board of Directors” or “Board”	the board of Directors
“Business Day”	any day (other than Saturday and Sunday) in Hong Kong on which banks in Hong Kong are open generally for normal banking business
“BVI”	the British Virgin Islands
“Capitalisation Issue”	the issue of 1,559,990,000 Shares to be made upon capitalisation of an amount of HK\$155,999,000 standing to the credit of the share premium account of the Company as referred to under the paragraph “Resolutions in writing of all the shareholders of the Company passed on 27 November 2009” in Appendix VII to this prospectus
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“CCASS Clearing Participant”	a person admitted to participate in CCASS as a direct clearing participant or general clearing participant
“CCASS Custodian Participant”	a person admitted to participate in CCASS as a custodian participant
“CCASS Investor Participant”	a person admitted to participate in CCASS as an investor participant, who may be an individual or joint individuals or a corporation

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“CCASS Participant”	a CCASS Clearing Participant, a CCASS Custodian Participant or a CCASS Investor Participant
“Companies Act”	the BVI Business Companies Act, 2004 of the Laws of the BVI
“Companies Law”	the Companies Law, Cap 22 (Law 3 of 1961, as consolidated and revised)
“Companies Ordinance”	the Companies Ordinance of Hong Kong (Chapter 32 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Company” or “our Company”	Hontex International Holdings Company Limited, an exempted company incorporated in the Cayman Islands with limited liability on 14 July 2009 under the Companies Law
“connected person”	has the meaning ascribed to it under the Listing Rules
“Controlling Shareholder(s)”	has the meaning ascribed to it under the Listing Rules and, in the context of the Company means More Will, Joyous King, Sunny Beauty, Speedy Grand, Forever Art, Head Pearl, Shao Ten-Po, Hsu Chieh-Jung, Tseng Chung-Cheng, Liao Chin-Yi, Hu Chin-Shu who are acting in concert with one another. Details of the concert party arrangements are set out in the section headed “Corporate Reorganisation and Group Structure — Concert Party Arrangement in Connection with Fuqing Hong Liong, Fuzhou Aike and Shishi Maigen, and Voting Arrangement in Relation to Fuqing Ecotex” of this prospectus
“Deed of Indemnity”	the deed of indemnity given by the Controlling Shareholders in favour of us to provide certain indemnities, details of which are set out in the section headed “Other Information — 2. Estate duty, tax and property indemnity” in Appendix VII to this prospectus
“Deed of Non-Competition”	the deed of non-competition entered into between, among others, the Company, the Controlling Shareholders, Lucky Dragon, ZhongShan Hong Liong and Tai Wan Hong Liong Textile, details of which are set out in the section headed “Relationship with the Controlling Shareholders — Deed of Non-Competition” of this prospectus
“Director(s)”	the director(s) of our Company as at the date of this prospectus
“Easy Era”	Easy Era Group Limited, a company incorporated under the laws of the BVI with limited liability on 6 February 2008 and wholly owned by the Company

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“Easy Venture”	Easy Venture International Limited, a company incorporated in Hong Kong and an indirect wholly owned subsidiary of the Company
“Estate Duty Ordinance”	the Estate Duty Ordinance, Chapter 111 of the Laws of Hong Kong
“Everprofuse”	Everprofuse Investment Corp., a company incorporated in Samoa which holds the entire equity interest in ZhongShan Hong Liong and an investment holding company. Everprofuse is owned as to 95% by Lucky Dragon and as to 5% by an independent third party and is a connected person of our Company
“First Heritage”	First Heritage Limited, a company incorporated in Hong Kong and an indirect wholly owned subsidiary of the Company
“Forever Art”	Forever Art Holding Limited, a company incorporated under the laws of the BVI with limited liability on 28 April 2008 and wholly owned by Ms. Hu Chin-Shu, a shareholder holding approximately 1.56% interest in the Company upon completion of the Capitalisation Issue and the Global Offering
“franchise store(s)”	store(s) (i) directly sourcing from our Group and selling exclusively our MXN branded products; (ii) directly sourcing from franchise distributor(s) and selling exclusively our MXN branded products (as the case may be). Such store(s) is/are owned and operated by independent third party(ies). For detailed arrangement of franchise store(s), please refer to section headed “Sales and Distribution”
“franchise distributor(s)”	distributor(s) directly sourcing from our Group and selling exclusively our MXN branded products by wholesaling our MXN branded products to franchise store(s) owned and operated by them. Such distributor(s) is/are owned and operated by independent third party(ies). For detailed arrangement of franchise distributor(s), please refer to section headed “Sales and Distribution”
“Fuqing Ecotex”	福清洪宇運動休閒用品有限公司 (Fuqing Ecotex Hi-tech Outdoor Product Ltd.), a company established in the PRC as a wholly foreign owned enterprise on 16 July 2002, a wholly-owned subsidiary of the Company
“Fuqing Hong Liong”	福清洪良染織科技有限公司 (Fuqing Hong Liong Textile Tech Co., Ltd.), a company established in the PRC as a wholly foreign owned enterprise on 16 April 1993, a wholly-owned subsidiary of the Company

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“Fuzhou Aike”	福州艾克服飾有限公司 (Fuzhou Aike Garment Co., Ltd.), a company established in the PRC as a wholly foreign owned enterprise on 26 July 2007, a wholly-owned subsidiary of the Company
“GDP”	gross domestic product
“Global Offering”	the Public Offer and the International Placing
“Group”, “our Group,” “we” or “us”	the Company and, except where the context otherwise requires, all its subsidiaries
“Head Pearl”	Head Pearl International Limited, a company incorporated under the laws of the BVI with limited liability on 7 February 2008 and owned by Mr. Shao Ten-Po, Mr. Hsu Chieh-Jung, Mr. Tseng Chung-Cheng and Mr. Liao Chin-Yi, each holding a 53.53%, 26.43%, 8.60% and 11.44% interest, respectively, a substantial shareholder of the Company
“HK eIPO White Form”	the application for Public Offer Shares to be issued in the applicant’s own name by submitting application online through the designated website of HK eIPO White Form at <a href="http://www.hkeipo.hk">www.hkeipo.hk</a>
“HK eIPO White Form Service Provider”	the HK eIPO White Form service provider designated by our Company, as specified on the designated website of HK eIPO White Form service at <a href="http://www.hkeipo.hk">www.hkeipo.hk</a>
“HKFRSs”	Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants
“HKICPA”	Hong Kong Institute of Certified Public Accountants
“HKSCC”	Hong Kong Securities Clearing Company Limited
“HKSCC Nominees”	HKSCC Nominees Limited, a wholly-owned subsidiary of HKSCC
“HK\$” or “Hong Kong dollars”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Holding Companies”	First Heritage, Star Guide, Easy Venture and Prosper Advance
“Hong Kong Share Registrar”	Tricor Investor Services Limited

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“Hong Liong Textile”	香港洪良染織有限公司 (Hong Liong Textile Company Limited), a company incorporated in Hong Kong with limited liability on 6 August 1992 and owned by Mr. Shao Ten-Po, Mr. Hsu Chieh-Jung, Mr. Tseng Chung-Cheng and Mr. Liao Chin-Yi, each holding a 60%, 20%, 12% and 8% interest, respectively, a connected person of the Company
“INEDs”	the independent non-executive Directors
“International Companies Act”	the BVI International Business Companies Act (Cap. 291 of the Laws of the BVI). As of 1 January 2007, this act became amalgamated with the BVI Business Companies Act, 2004
“International Placing”	the conditional placing by the International Placing Underwriters of the International Placing Shares with professional and institutional investors and other investors expected to have a sizeable demand for the Shares, as further described in the section headed “Structure and Conditions of the Global Offering”
“International Placing Shares”	450,000,000 Shares, comprising 390,000,000 new Shares and 60,000,000 Sale Shares initially being offered by us and the Selling Shareholders for subscription and purchase, respectively, at the Offer Price under the International Placing, subject to adjustment as described in the section headed “Structure and Conditions of the Global Offering”
“International Placing Underwriters”	the several underwriters of the International Placing listed in section headed “Underwriting — International Placing and Public Offer Underwriters”
“Joyous King”	Joyous King Holdings Limited, a company incorporated under the laws of the BVI with limited liability on 22 April 2008 and wholly owned by Mr. Hsu Chieh-Jung, which is interested in approximately 8.07% in the Company upon completion of the Capitalisation Issue and the Global Offering
“Latest Practicable Date”	8 December 2009, being the latest practicable date for the purpose of ascertaining certain information contained in this prospectus prior to its publication
“Listing”	the listing of the Shares on the Main Board of the Stock Exchange
“Listing Committee”	the listing sub-committee of the board of directors of the Stock Exchange
“Listing Date”	the date on which dealings in the Shares first commence on the Main Board of the Stock Exchange

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“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange (as amended from time to time)
“Lucky Dragon”	Lucky Dragon Industries Limited, a company incorporated under the laws of the BVI with limited liability on 8 February 2000 and owned by Ms. Hu Chin-Shu, Ms. Chen Li-Chuan, Ms. Huang Szu-Ching, Ms. Hsu Fu-Mei, Ms. Hsuh Hui-Chen, Mr. Tseng Chung-Cheng and Mr. Liao Chin-Yi, each holding a 16%, 16%, 16%, 16%, 16%, 10% and 10% interest, respectively prior to completion of the Reorganisation which is principally engaged in investment holding and a connected person of the Company
“Mega Capital” or “Sole Sponsor” or “Sole Bookrunner” or “Sole Lead Manager”	Mega Capital (Asia) Company Limited, a licensed corporation under the SFO to carry out regulated activities of type 1 (dealing in securities) and type 6 (advising on corporate finance) and an overseas subsidiary of Mega Securities Holdings Company Limited
“More Will”	More Will Investments Limited, a company incorporated under the laws of the BVI with limited liability on 23 January 2008 and wholly owned by Mr. Shao Ten-Po, a substantial shareholder of the Company
“Offer Price”	the final price per Share (exclusive of brokerage fee of 1%, SFC transaction levy of 0.004% and Stock Exchange trading fee of 0.005%) at which the Offer Shares are to be subscribed pursuant to the Public Offer and the International Placing, to be determined as further described in the section headed “Structure and Conditions of the Global Offering” in this prospectus
“Offer Shares”	the Public Offer Shares and the International Placing Shares together, where relevant, with any additional Shares issued and allotted pursuant to the exercise of the Over-allotment Option
“Over-allotment Option”	the option expected to be granted by us to the International Underwriters, exercisable by Mega Capital on behalf of the International Placing Underwriters under the Underwriting Agreement pursuant to which we may be required by Mega Capital to issue up to an aggregate of 75,000,000 additional Shares (representing in aggregate approximately 15% of the number of Offer Shares initially available under the Global Offering) at the Offer Price, see “Structure and Conditions of the Global Offering”
“PRC” or “China”	the People’s Republic of China, provided that except where the context requires, references in this prospectus to the PRC or China do not include Taiwan or Hong Kong and Macau

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“Price Determination Agreement”	the agreement to be entered into between the Company, the Selling Shareholders and the Sole Bookrunner (for itself and on behalf of the Underwriters)
“Price Determination Date”	the date, expected to be on or around Thursday, 17 December 2009 but no later than Tuesday, 22 December 2009 on which the Offer Price is fixed for the purposes of the Global Offering
“Prosper Advance”	Prosper Advance International Limited, a company incorporated in Hong Kong and an indirect wholly owned subsidiary of the Company
“Public Offer”	the offer of Public Offer Shares for subscription by the public in Hong Kong for cash at the Offer Price, on and subject to the terms and conditions described in this prospectus and the Application Forms
“Public Offer Shares”	the 50,000,000 new Shares (subject to adjustment) being initially offered by us for subscription pursuant to the Public Offer
“Public Offer Underwriters”	the several underwriters of the Public Offer listed in the section headed “Underwriting — International Placing and Public Offer Underwriters”
“RMB” or “Renminbi”	Renminbi yuan, the lawful currency of the PRC
“Reorganisation”	the corporate reorganisation of the Group in preparation for the listing of Shares on the Stock Exchange, details of which are set out in the section headed “Corporate Reorganisation”
“Sale Shares”	the 60,000,000 existing Shares held by the Selling Shareholders to be sold under the International Placing
“Securities and Futures Commission” or “SFC”	the Securities and Futures Commission of Hong Kong
“Securities and Futures Ordinance” or “SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) as amended and supplemented or otherwise modified from time to time
“Selling Shareholders”	Head Pearl and Forever Art, the sellers of the Sale Shares
“Share(s)”	ordinary share(s), with a nominal value of HK\$0.10 each, in the share capital of our Company

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“Share Option Scheme”	the share option scheme conditionally approved and adopted by our Company pursuant to the written resolutions of the members of the Company passed on 27 November 2009, the principal terms of which are summarised in the section headed “Share Option Scheme” in Appendix VII to this prospectus
“Shishi Maigen”	石獅麥根服飾有限公司 (Shishi Maigen Dress Co., Ltd.), a company established in the PRC as a wholly foreign owned enterprise on 20 June 2002, a wholly-owned subsidiary of the Company
“Shishi Maigen’s Accountants’ Report”	the accountants’ report of Shishi Maigen dated 14 December 2009 addressed to the Directors and the Sole Sponsor
“Speedy Grand”	Speedy Grand Limited, a company incorporated under the laws of the BVI with limited liability on 8 August 2008 and wholly owned by Mr. Liao Chin-Yi, a shareholder which is interested in approximately 3.50% in the Company upon completion of the Capitalisation Issue and the Global Offering
“Star Guide”	Star Guide Investments Limited, a company incorporated in Hong Kong and an indirect wholly owned subsidiary of the Company
“Stock Borrowing Agreement”	the stock borrowing agreement dated 11 December 2009 entered into between Head Pearl and Mega Capital
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary”	has the meaning ascribed to it under section 2 of the Companies Ordinance
“substantial shareholder”	has the meaning ascribed to it under the Listing Rules
“Sunny Beauty”	Sunny Beauty Limited, a company incorporated under the laws of the BVI with limited liability on 29 May 2009 and wholly owned by Mr. Tseng Chung-Cheng, a shareholder which is interested in approximately 2.63% in the Company upon completion of the Capitalisation Issue and the Global Offering
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“Track Record Period”	the period comprising the three years ended 31 December 2008 and the six months ended 30 June 2009
“Underwriters”	the Public Offer Underwriters and the International Placing Underwriters



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“Underwriting Agreement”	the underwriting agreement dated 11 December 2009 relating to the Global Offering entered into between the Company, Mega Capital, the Selling Shareholders, the Controlling Shareholders, the executive Directors, the International Placing Underwriters and the Public Offer Underwriters
“US\$”	United States dollars, the lawful currency of the United States
“ZhongShan Hong Liong”	中山洪良化纖有限公司 (ZhongShan Hong Liong Chemical Fiber Company Limited), a company established in the PRC and wholly owned by Everprofuse Investment Corp. which is in turn owned as to 95% by Lucky Dragon and as to 5% by an independent third party, ZhongShan Hong Liong is a connected person of our Company

*In this prospectus, unless otherwise stated, certain amounts denominated in Renminbi have been translated into Hong Kong dollars and vice versa at an exchange rate of RMB0.8814 = HK\$1.00, in each case, for illustration purpose only. Such conversions shall not be construed as representations that amounts in Renminbi were or may have been converted into those currencies and vice versa at such rates or any other exchange rates.*

*Certain amounts and percentage figures included in this prospectus have been subject to rounding adjustments. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures preceding them.*