This summary aims to give you an overview of the information contained in this Prospectus. Since it is a summary, it does not contain all the information that may be important to you. You should read the Prospectus in its entirety before you decide to invest in the Offer Shares.

We commissioned Frost & Sullivan, an independent market research firm, as an industry consultant to prepare an industry research report, the Frost & Sullivan Report. Unless otherwise indicated, all information and statistics relating to the global and PRC sportswear industry, which consists of swimwear, fitness wear and sports underwear sectors, in this and other sections of this Prospectus have been derived from the Frost & Sullivan Report.

There are risks associated with any investment. You should read "Risk Factors" of this Prospectus carefully before you decide to invest in the Offer Shares.

OVERVIEW

We own and operate *Hosa*™, the largest indoor sportswear brand in terms of 2010 ex-factory sales[(1)] in China. We design and produce a wide range of mid-to-high end sportswear products, including swimwear, fitness wear, sports underwear and accessories, which we sell under our well-known *Hosa*™ brand. According to Frost & Sullivan, we captured the largest market shares of 6.1%, 4.6% and 31.1% in the swimwear, fitness wear and sports underwear market sectors, respectively, in terms of 2010 ex-factory sales in China. We believe that our leading market position and strong brand name in China, our industry know-how and our extensive and efficiently managed sales and distribution network effectively differentiate us from multinational and domestic competitors. In addition to continuing our strong presence in first-tier cities, we have extended our sales coverage to China's second- and third-tier cities, and we are poised to further penetrate and capture these growing markets in their early development stage.

We promote our *Hosa*™ brand as a symbol for active, fashionable and healthy lifestyles. Our reputation in China as a high-quality and fashionable indoor sportswear brand has been strengthened over the years by numerous events and recognitions. Our *Hosa*™ brand has been recognized annually as one of China's 500 Most Valuable Brands since 2008. In 2008, our *Hosa*™ brand was recognized as an exemplary brand in the PRC swimwear industry and we were chosen to be the exclusive provider of swimwear products at the National Aquatics Center (Water Cube), the site of aquatic events during the 2008 Olympics. We also have been collaborating with the China Fashion Designer Association every year since 2003 to co-host the Hosa Cup China Swimwear Design Contest (浩沙杯中國泳裝設計大賽). In addition, we also sponsor various pageants and coordinate with professional associations and sports administrative authorities to sponsor events that encourage active and healthy lifestyles, such as the Hosa Cup National Aerobic Gymnastic Contest (浩沙杯全國萬人健美操大賽), which attracts over 100,000 participants annually. The extensive media and press coverage on such events reinforces our *Hosa*™ brand image.

Note (1): According to Frost & Sullivan, the majority of indoor sportswear manufacturers conduct both wholesales through distributors and direct retail sales at varying ratios. In wholesales through distributors, indoor sportswear manufacturers sell their products at ex-factory prices, whereas the same products are sold at marked-up retail prices in direct retail sales to end-consumers. In order to ensure the comparability of sales information among indoor sportswear manufacturers, Frost & Sullivan has chosen to report market size and market share information in terms of ex-factory revenue, which it believes better represents the value of the goods that the manufacturers produced. For each manufacturer, its ex-factory revenue consists of its revenue generated from wholesales to distributors and, if applicable, its direct retail sales revenue discounted by the wholesale discount given by the manufacturer to distributors. Unless otherwise indicated, all market size information below refers to domestic ex-factory revenue in China.

We believe that our efforts and achievements in product research, design and development have been key to our sustained success and will continue to contribute to our success and growth. We have accumulated significant expertise in the research, design and development of indoor sportswear products over the years of our operations. We collaborate with Italian and French fashion consulting firms to enhance our brand positioning and product design. Furthermore, our product design teams conduct thorough market research and incorporate some of the latest global fashion trends, fabric and pattern technologies and consumer preferences into our products. We design our products to embody our *Hosa*™ brand's image of active, fashionable and healthy lifestyles, primarily targeting urban, white collar professionals between the ages of 20 and 40 with rising health consciousness and spending power. In 2010, our tight-fitting fitness wear product was recognized as one of China's Top Ten Innovative Sports Products (十大體育用品最具創新產品).

The comprehensiveness and quality of our indoor sportswear product portfolio are among our core competitive strengths. We offer a wide range of products through our swimwear, fitness wear, sports underwear and accessories product lines. We believe that our comprehensive product portfolio has enabled us to cultivate and accelerate brand loyalty among our consumers. In addition, we design and select the appropriate fabrics with superior performance for our products to ensure that each product incorporates functionality, comfort and style.

We are able to swiftly respond to market trends using our streamlined design and production process. Once design concepts are solidified, we present product prototypes at our semiannual prototypes fair to our marketing personnel, distributors, retail sales personnel and fitness trainers, who choose the styles and products for the upcoming season. The selected products are subsequently showcased at our sales fair, during which we receive orders from distributors. We manufacture most of our products at our production facility in Jinjiang, Fujian Province and outsource the manufacturing of the remaining products. We are committed to exercising quality control at various stages of both in-house and outsourced production. While our production cycle is typically three to six months from concept to finished product, we have the technological and production capabilities to manufacture new products through our efficient design and production process in as few as 15 days when necessary. Our ability to swiftly respond to market changes has enabled us to remain competitive in the fast-paced indoor sportswear market.

We have grown rapidly in recent years in terms of sales and sales channels. As of 31 October 2011, we mainly sold our products to 29 distributors, who along with their sub-distributors operated 1,149 retail outlets as well as online sales platforms in China. We believe that our distributorship business model enables us to achieve higher growth and operational efficiency. We are able to leverage the resources of our distributors to manage a larger retail network and to ensure that sub-distributors operate according to the same standards of our strict monitoring and reporting system as our distributors themselves. Our sales and distribution model also allows us to focus our own resources on the development of our brand and the design and marketing of new products to meet the increasing market demand for indoor sportswear products in China.

We have achieved overall growth in revenue and profit during the Track Record Period. Our revenue generated from continuing operations was RMB204.6 million, RMB159.2 million and RMB347.8 million, for the years ended 31 December 2008, 2009 and 2010, respectively, whereas our profit from continuing operations increased substantially from RMB28.2 million and RMB28.6 million for the years ended 31 December 2008 and 2009, respectively, to RMB94.4 million for the year ended 31 December 2010. In the six months ended 30 June 2011, our revenue from continuing operations amounted to RMB302.3 million, representing an increase of 156.1% over the comparable period in 2010, and our profit from continuing operations amounted to RMB125.4 million, representing an increase of 277.6% over the comparable period in 2010. The increases in our revenue and profit, particularly for the six months ended 30 June 2011, were mainly the result of (i) the increased average selling prices of our products, primarily driven by the decrease in the wholesale discount given to our distributors, and (ii) the increased sales volume of our products. For more information, please refer to "Financial Information" in this Prospectus.

OUR COMPETITIVE STRENGTHS

We believe that our success is attributable to the following competitive strengths:

- We are a leading indoor sportswear enterprise in China.
- We have an efficiently managed nationwide sales and distribution network.
- We effectively promote our brand through creative and diverse marketing channels.
- We have the capabilities to swiftly respond to market trends using our streamlined design and production workflow.
- We offer a comprehensive portfolio of high-quality indoor sportswear products.
- We have an experienced and committed management team.

OUR BUSINESS STRATEGIES

Our long-term goal is to reinforce our leading position in the PRC indoor sportswear market by pursuing the following strategies:

- Solidify our leading position by expanding our sales and distribution network.
- Further strengthen our marketing activities to promote our products and enhance *Hosa*™ brand culture.
- Strengthen our research, design and development capabilities and optimize our product mix.
- Enhance our operating and cost efficiencies by implementing integrated supply chain and information management systems.

OUR CONTROLLING SHAREHOLDERS

Upon completion of the Global Offering and the Capitalization Issue, our Controlling Shareholders will control the exercise of voting rights of 61.488% of the Shares eligible to vote in general meeting of our Company (assuming the Over-allotment Option is not exercised). Our Controlling Shareholders are Mr. Shi Hongliu, chairman and executive Director of our Company, Mr. Shi Hongyan, vice chairman, chief executive officer and executive Director of our Company, Mr. Wu Changda, the brother-in-law of Mr. Shi Hongyan, and Ho Born Investment and Well Born Industrial. Ho Born Investment and Well Born Industrial are the entities through which the foregoing individuals own interests in our Company. In addition, two of our Controlling Shareholders, namely, Mr. Shi Hongliu and Mr. Shi Hongyan, also directly own Haosha Garments, a company established in the PRC, which is a connected person of our Company. Haosha Garment is primarily engaged in the manufacture and sale of fabric products, and provides dyeing and printing services to apparel manufacturing enterprises. We have entered into certain transactions with Haosha Garments and these transactions will continue after the Listing, thereby constituting continuing connected transactions of our Company under the Listing Rules. For more information, please refer to "History and Corporate Structure — Corporate reorganization", "Relationship with Controlling Shareholders" and "Connected Transactions" in this Prospectus.

OUR BUSINESS MODEL

Prior Direct Sales Operations by Haosha Garments

Prior to 2006, Haosha Garments, a private company controlled by our Controlling Shareholders, operated the Hosa indoor sportswear business and sold substantially all *Hosa*™ brand products to end-consumers through concessionary retail outlets at department stores. Such retail outlets were directly operated by three retail management companies, namely Beijing Aiya, Shanghai Xingchi and Guangzhou Huayuan, which were then owned by Mr. Shi Hongliu, Mr. Shi Hongyan and/or Ms. Xu Jinfeng, the spouse of Mr. Shi Hongyan. As such, Haosha Garments was of the view that it was conducting "direct sales" of *Hosa*™ brand products through such three retail management companies.

In 2006, Haosha Garments also began to develop and engage third party distributors in second- and third-tier cities in China to further extend the reach of *Hosa*™ brand products. Prior to late 2007, all sales of *Hosa*™ indoor sportswear products were made by Haosha Garments through direct sales or to distributors. In 2007, our core operating subsidiary, Haosha Industry, entered into a series of transactions with Haosha Garments, including a lease agreement for operational properties and the transfer of production facilities, to acquire the Hosa indoor sportswear business. After such transactions, Haosha Garments ceased the Hosa indoor sportswear business and Haosha Industry has since then served as the principal manufacturing and marketing entity for *Hosa*™ brand products. For more details, please refer the paragraph headed "History and Corporate Structure — Our history and development — Establishment of Haosha Industry".

Our Transition to the Distributorship Business Model

In late 2007, our core operating subsidiary, Haosha Industry, began to operate the Hosa indoor sportswear business and continued to sell *Hosa*™ brand products through the three retail management companies and third-party distributors. As we sought to improve the management and accelerate the development of our sales network, we considered adopting a formal distributorship business model. As trial operations of our new distributorship business model, we established three distributor subsidiaries of Haosha Industry, namely Beijing Yasha, Guangzhou Yingchang and Shanghai Haote, in 2008 to directly develop and operate Hosa retail outlets. By directly monitoring and analyzing the operations of such distributor subsidiaries, we aimed to optimize our management of the distributorship business model and to catalyze our business model transition.

Given the success of the trial operations, we decided to fully transition to a distributorship business model and our distributor subsidiaries Beijing Yasha and Guangzhou Yingchang gradually took over parts of the operations of the retail management companies Beijing Aiya and Guangzhou Huayuan, respectively. The retail operations of Beijing Aiya were transferred to Beijing Yasha by January 2010, after which Beijing Aiya shifted its focus to the operations of the Hosa Fitness Gyms. To eliminate connected transactions, Mr. Shi Hongliu, Mr. Shi Hongyan and/or Ms. Xu Jinfeng disposed of their interests in Shanghai Xingchi and Guangzhou Huayuan to Independent Third Parties in July 2010. By the end of July 2010, we completed our business model transition and disposed of our three then distributor subsidiaries and their unsold inventories to Independent Third Parties. Since then, all domestic sales have been made to our third-party distributors, who consisted of our only domestic customer group. For more details, see the sections headed "History and Corporate Structure — Our history and development" and "Business — Sales and distribution — Our business model".

During the Track Record Period, we continuously developed our network of third-party distributors and made increasing sales to third-party distributors and decreasing sales to the retail management companies owned by Mr. Shi Hongliu, Mr. Shi Hongyan and/or Ms. Xu Jinfeng. The following table sets forth the breakdown of our revenue from continuing operations generated from domestic sales to the retail management companies, our then distributor subsidiaries and third-party distributors and others as well as from overseas sales and as a percentage of our total revenue from continuing operations during the Track Record Period:

	Year ended 31 December						Six months ended 30 June	
	2008		2009		2010		2011	
	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%
Domestic sales								
To retail management companies[1]	113,336	55.4	50,209	31.5	16,627	4.8	—	—
To our then distributor subsidiaries[2]	1,051	0.5	32,581	20.5	22,938	6.6	—	—
To third-party distributors and others	17,572	8.6	42,354	26.6	257,233	73.9	302,103	99.9
Subtotal	131,959	64.5	125,144	78.6	296,798	85.3	302,103	99.9
Overseas sales[3]	72,684	35.5	34,025	21.4	50,989	14.7	244	0.1
Total	204,643	100.0	159,169	100.0	347,787	100.0	302,347	100.0

Notes:

(1) Owned by Mr. Shi Hongliu, Mr. Shi Hongyan and/or Ms. Xu Jinfeng.

(2) The retail sales directly made by our then distributor subsidiaries to end-consumers are included in the results of our discontinued operations and are not included in this table.

(3) During the Track Record Period, we conducted overseas sales based on purchase orders we received from foreign trading companies and wholesalers.

The following table sets forth the breakdown of Hosa retail outlets controlled by Mr. Shi Hongliu, Mr. Shi Hongyan and/or Ms. Xu Jinfeng, operated by us, operated by our distributors and operated by sub-distributors as of 31 December 2008, 2009 and 2010 and as of 30 June 2011:

	As of 31 December			As of 30 June
	2008	2009	2010	2011
Controlled by Mr. Shi Hongliu, Mr. Shi Hongyan and/or Ms. Xu Jinfeng	365	125	—	—
Directly operated by us	11	228	—	—
Operated by distributors	129	169	497	800
Operated by sub-distributors	—	—	169	176
Total[(1)]	505	522	666	976

Note:

(1) Does not include online sales or temporary counters.

On 30 July 2010, we disposed of our interests in our three distributor subsidiaries, Beijing Yasha, Shanghai Haote and Guangzhou Yingchang, to Independent Third Parties. The results of the retail operations operated by such subsidiaries were included in the results of our discontinued operations in our financial information during the Track Record Period. For the years ended 31 December 2008, 2009 and 2010, the revenue generated from retail sales through our three distributor subsidiaries were RMB1.2 million, RMB47.2 million and RMB35.2 million, respectively. The gross profit generated from such retail sales before the elimination of intra-group sales were RMB0.2 million, RMB14.6 million and RMB12.3 million, respectively. For more details, see below and the section headed "Financial Information — Description of discontinued operations".

Our Present Distributorship Business Model

As of 31 December 2010, our distribution network mainly consisted of 13 distributors, who engaged a total of 47 sub-distributors to collectively manage 666 retail outlets across 26 provinces and municipalities as well as online sales platforms in China. In 2011, our sales and distribution network further expanded to include 29 distributors, who along with their sub-distributors operated 1,149 retail outlets across 27 provinces and municipalities as well as online sales platforms in China as of 31 October 2011. Our distributors manage and develop sub-distributors and retail outlets within specified geographical regions according to our guidelines. We believe that our present distributorship business model enables us to achieve higher growth and operational efficiency. We have commenced to extend our sales coverage to China's second- and third-tier cities, and we are poised to further penetrate and capture these growing markets through our distributors. We leverage the financial and management resources of our distributors to manage our overall retail network and to help ensure that sub-distributors and retail outlets operate according to our guidelines. Our sales and distribution model also allows us to focus our resources on the development of our brand and the design and marketing of new and innovative products, thus enabling us to respond to the increased market demand for indoor sportswear products in China. See the section headed "Business — Sales and distribution" for more information.

SUMMARY OF HISTORICAL FINANCIAL INFORMATION

Consolidated Statements of Comprehensive Income

The table below sets forth our summary consolidated statements of comprehensive income for the periods indicated:

	Year ended 31 December			Six months ended 30 June	
	2008	2009	2010	2010	2011
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Continuing operations					
Revenue	204,643	159,169	347,787	118,059	302,347
Cost of sales	(142,383)	(96,253)	(178,382)	(62,162)	(109,149)
Gross profit	62,260	62,916	169,405	55,897	193,198
Other revenue	240	664	1,928	1,301	4,001
Other net income/(loss)	142	64	(379)	(241)	229
Selling and distribution expenses	(24,431)	(23,737)	(29,122)	(8,600)	(25,138)
Administrative and other operating expenses	(10,655)	(10,041)	(26,695)	(7,806)	(26,721)
Profit from operations	27,556	29,866	115,137	40,551	145,569
Finance costs	(921)	(2,640)	(6,382)	(2,936)	(1,544)
Profit before taxation	26,635	27,226	108,755	37,615	144,025
Income tax benefit/(expense)	1,596	1,382	(14,380)	(4,413)	(18,644)
Profit for the year/period from continuing operations	28,231	28,608	94,375	33,202	125,381
Discontinued operations					
Profit from discontinued operations	734	79	4,135	2,787	—
Net gain on disposal of subsidiaries, machinery and equipment	—	—	17,596	—	—
Profit for the year/period	28,965	28,687	116,106	35,989	125,381
Exchange differences on translation of financial information of operations outside the mainland China	—	—	—	—	1
Total comprehensive income for the year/period	28,965	28,687	116,106	35,989	125,382

Consolidated Balance Sheets

The table below sets forth our summary consolidated balance sheets as of the dates indicated:

	As of 31 December			As of 30 June
	2008	2009	2010	2011
	RMB'000	RMB'000	RMB'000	RMB'000
Non-current assets	17,030	30,302	69,400	68,046
Current assets	193,717	329,962	464,048	322,445
Current liabilities	(118,819)	(239,649)	(236,057)	(149,789)
Total equity	91,928	120,615	297,391	240,702
Net current assets	74,898	90,313	227,991	172,656
Total assets less current liabilities	91,928	120,615	297,391	240,702

Consolidated Cash Flow Statements

The table below sets forth our summary consolidated cash flow statements for the periods indicated:

	Year ended 31 December			Six months ended 30 June	
	2008	2009	2010	2010	2011
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Net cash (used in)/generated from operating activities	(35,105)	(68,445)	107,366	(86,994)	225,680
Net cash (used in)/generated from investing activities	(14,965)	(17,960)	(66,787)	435	3,238
Net cash generated from/(used in) financing activities	59,594	84,413	27,603	86,614	(252,049)
Cash as of 1 January	8,113	17,637	15,645	15,645	83,827
Cash as of 31 December/30 June	17,637	15,645	83,827	15,700	60,696

Selected Historical Operating Data from Continuing Operations

Revenue by geographical regions and operating segments

During the Track Record Period, we generated our revenue from the domestic and overseas sales of indoor sportswear products, including swimwear, fitness wear, sports underwear and accessories products. The following table sets forth the sources of our revenue for the periods indicated:

	Year ended 31 December						Six months ended 30 June			
	2008		2009		2010		2010		2011	
	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%
Domestic sales										
Swimwear	32,722	16.0	41,708	26.2	97,937	28.2	30,148	25.5	136,726	45.2
Fitness wear	41,759	20.4	26,528	16.7	68,387	19.6	17,185	14.6	78,031	25.8
Sports underwear	54,536	26.7	52,873	33.2	111,582	32.1	30,395	25.8	68,614	22.7
Accessories	2,942	1.4	4,035	2.5	18,892	5.4	4,528	3.8	18,732	6.2
Subtotal	131,959	64.5	125,144	78.6	296,798	85.3	82,256	69.7	302,103	99.9
Overseas sales[1]										
Swimwear	27,114	13.2	28,923	18.2	45,540	13.1	33,854	28.7	244	0.1
Fitness wear	45,562	22.3	4,788	3.0	5,419	1.6	1,919	1.6	—	—
Accessories	8	0.00	314	0.2	30	0.01	30	0.03	—	—
Subtotal	72,684	35.5	34,025	21.4	50,989	14.7	35,803	30.3	244	0.1
Total	204,643	100.0	159,169	100.0	347,787	100.0	118,059	100.0	302,347	100.0

Note:

(1) We did not export our sports underwear products during the Track Record Period.

Gross profit and gross profit margin by geographical regions and operating segments

The following table sets forth the breakdown of our gross profit and gross profit margin by geographical regions and operating segments during the Track Record Period:

	Year ended 31 December						Six months ended 30 June			
	2008		2009		2010		2010		2011	
	Gross profit	Gross profit margin	Gross profit	Gross profit margin	Gross profit	Gross profit margin	Gross profit	Gross profit margin	Gross profit	Gross profit margin
	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%
Domestic sales										
Swimwear	13,672	41.8	19,326	46.3	57,612	58.8	17,327	57.5	86,909	63.6
Fitnesswear	18,879	45.2	12,077	45.5	34,222	50.0	9,645	56.1	51,948	66.6
Sports underwear	20,270	37.2	21,376	40.4	52,559	47.1	16,136	53.1	41,537	60.5
Accessories	1,746	59.3	690	17.1	10,460	55.4	1,712	37.8	12,784	68.2
Subtotal	54,567	41.4	53,469	42.7	154,853	52.2	44,820	54.5	193,178	63.9
Overseas sales[(1)]										
Swimwear	4,485	16.5	7,464	25.8	12,956	28.4	10,174	30.1	20	8.2
Fitness wear	3,208	7.0	1,718	35.9	1,573	29.0	880	45.8	—	—
Accessories	—	—	265	84.4	23	76.7	23	76.7	—	—
Subtotal	7,693	10.6	9,447	27.8	14,552	28.5	11,077	30.9	20	8.2
Total gross profit/gross profit margin	62,260	30.4	62,916	39.5	169,405	48.7	55,897	47.3	193,198	63.9

Note:

(1) We did not export our sports underwear products during the Track Record Period.

PROFIT FORECAST

We believe that, in the absence of unforeseen circumstances and on the bases and assumptions as set out in the section headed "Profit Forecast" in Appendix III to this Prospectus, our Company's profit attributable to equity shareholders for the year ending 31 December 2011 is expected to be not less than RMB270.1 million. Our Directors are currently not aware of any extraordinary items which have arisen or are likely to arise in respect of the year ending 31 December 2011 that would affect the prospective financial information presented.

On a pro forma basis and on the assumption that our Company had been listed since 1 January 2011 and a total of 1,600,000,000 Shares were issued and outstanding during the entire year (taking no account of any Shares which may be issued upon exercise of the Over-allotment Option), the unaudited pro forma forecast earnings per Share for the year ending 31 December 2011 is expected to be not less than RMB0.169.

GLOBAL OFFERING

This Prospectus is published in connection with the Hong Kong Public Offering as part of the Global Offering.

The Global Offering consists of:

- the Hong Kong Public Offering of 40,000,000 Shares to be offered by the Company (subject to adjustment as mentioned below) (representing 10% of the total number of Offer Shares initially available under the Global Offering) in Hong Kong as described under "Structure of the Global Offering — The Hong Kong Public Offering"; and

- the International Placing of 360,000,000 Shares to be offered by the Company (subject to adjustment as mentioned below and the Over-allotment Option) (representing 90% of the total number of Offer Shares initially available under the Global Offering) (i) in the United States to QIBs in reliance on Rule 144A or another applicable exemption under the U.S. Securities Act; and (ii) outside the United States in offshore transactions in accordance with Regulation S.

The number of Offer Shares to be offered under the Hong Kong Public Offering and the International Placing, respectively, may be subject to reallocation as described under "Structure of the Global Offering — The Hong Kong Public Offering" and, in the case of the International Placing only, the Over-allotment Option as described under "Structure of the Global Offering — The International Placing".

Merrill Lynch International is the Sole Global Coordinator of the Global Offering, Merrill Lynch International and BOCI Asia Limited are the Joint Bookrunners of the Global Offering, Merrill Lynch Far East Limited and BOCI Asia Limited are the Joint Lead Managers of the Hong Kong Public Offering, Merrill Lynch International and BOCI Asia Limited are the Joint Lead Managers of the International Placing, and Merrill Lynch Far East Limited is the Sole Sponsor of the Listing.

OFFER STATISTICS

	Based on offer price of HK$1.60 per Share
Market capitalization of our Shares(1)	HK$2,560.0 million
Prospective price/earnings multiple on a pro forma basis(2)	7.9 times
Unaudited pro forma adjusted net tangible assets per Share(3)	RMB0.44 (approximately HK$0.53)

(1) The calculation of market capitalization is based on 1,600,000,000 Shares expected to be issued and outstanding after completion of the Global Offering and does not take into account any Shares which may be (i) issued upon the exercise of the Over-allotment Option, (ii) issued upon exercise of options granted under our Pre-IPO Share Option Scheme or which may be granted under the Share Option Scheme, (ii) issued or repurchased under the general mandates given to our Directors to issue and repurchase Shares.

(2) The calculation of the prospective price/earnings multiple on a pro forma basis is based on the unaudited pro forma forecast earnings per Share for the year ending 31 December 2011 and the offer price of HK$1.60 per Share.

(3) The unaudited pro forma adjusted net tangible assets per Share is calculated after making the adjustments referred to in Appendix II and based on 1,600,000,000 Shares expected to be issued and outstanding after completion of the Global Offering. The unaudited pro forma adjusted net tangible assets per Share are converted into Hong Kong dollars at the PBOC rate of HK$1.00 to RMB0.83162 prevailing on 30 June 2011.

If the Over-allotment Option is exercised in full, the unaudited pro forma adjusted net tangible assets per Share would be approximately HK$0.57 per Share (based on an offer price of HK$1.60), while the unaudited pro forma forecast earnings per Share would be not less than approximately HK$0.196.

DIVIDEND POLICY

Haosha Industry, our principal operating subsidiary in the PRC, declared a dividend of RMB151.7 million on 12 January 2011 to its then shareholders Haosha H.K. and Haosha Garments. See "Risk Factors — Risks relating to the global offering and our shares — Prior dividend distributions are not an indication of our future dividend policy."

After the completion of the Global Offering, we may distribute dividends by way of cash or by other means that our Board of Directors considers appropriate. The amount of any dividends to be declared or paid in the future will depend on, among other things, our results of operations, cash flows and financial condition, operating and capital requirements, the amount of distributable profits based on IFRS, the constitution of our Company, the Companies Law, applicable laws and regulations, contractual restrictions and other factors that our Directors may consider as relevant. Holders of the Shares will be entitled to receive such dividends pro rata according to the amounts paid up or credited as paid up on the Shares. The declaration, payment, and amount of dividends will be subject to the absolute discretion of our Directors. Our future declaration of dividends may or may not reflect on our historical declarations of dividend. There is no assurance as to whether the dividend distribution will occur as intended, the amount of dividend payment or the timing of such payment. See "Risk Factors — Risks relating to our business operations — We are a holding company and rely on dividend payments from our subsidiaries to fund our cash and financing requirements, including funding dividend payments to our Shareholders."

Subject to the factors described above, our Board of Directors currently intends to recommend at the relevant shareholders meetings an annual dividend of no less than 30% of our net profit available for distribution to the shareholders in the foreseeable future.

PRE-IPO SHARE OPTION SCHEME

We adopted the Pre-IPO Share Option Scheme on 23 November 2011. The purpose of the Pre-IPO Share Option Scheme is to give our Directors, senior management, employees and distributors an opportunity to have a personal stake in our Company and motivate them to optimize their performance and efficiency to our Group and/or to reward them for their past contributions, and also to retain or otherwise maintain on-going relationships with them as their contributions are important to the long-term growth and profitability of our Group.

The total number of Shares which may be issued upon the exercise of options granted under the Pre-IPO Share Option Scheme is 20,500,000 Shares, representing (i) approximately 1.2813% of the issued share capital of our Company immediately following the completion of the Global Offering (without taking into account any Shares which may be allotted and issued upon the exercise of any options which have been granted under the Pre-IPO Share Option Scheme or which may be granted under the Share Option Scheme or the exercise of the Over-allotment Option); and (ii) approximately 1.2650% of the issued share capital of our Company immediately following the completion of the Global Offering and assuming that all options granted under the Pre-IPO Share Option Scheme are exercised at the same time (without taking into account any Shares which may be allotted and issued upon the exercise of any options which may be granted under the Share Option Scheme or the exercise of the Over-allotment Option). If all options under the Pre-IPO Share Option Scheme are exercised, this would have a dilutive effect on the shareholdings of our Shareholders of approximately 1.265% and a dilutive effect of approximately HK$0.0026 on earnings per Share such that the forecast earnings per Share for the financial year ending 31 December 2011 will be diluted from HK$0.2030 to HK$0.2004.

A breakdown of options granted under the Pre-IPO Share Option Scheme by category of grantees is set out below:

Category of grantees	Number of grantees	Number of Shares to be issued upon full exercise of all options granted under the Pre-IPO Share Option Scheme
Directors	2	6,460,000
Senior management members of our Group	5	3,400,000
Other employees of our Group	39	8,640,000
Shareholders of our distributors	12	2,000,000
	58	20,500,000

Save as disclosed above, no options have been granted or will be granted under the Pre-IPO Share Option Scheme.

Pursuant to the Pre-IPO Share Option Scheme and the relevant offer letters in respect of the grant of options:

(i) the exercise price of each of such options shall be at a 20% discount to the Offer Price; and

(ii) the options granted under the Pre-IPO Share Option Scheme may be exercised by the grantees at any time during the option period which is 5 years commencing from 23 November 2011 and (a) in relation to 30.0% of the total number of options granted, any time after the first anniversary of the Listing Date; (b) in relation to another 30.0% of the total number of options granted, any time after the second anniversary of the Listing Date; and (c) in relation to the remaining 40.0% of the total number of options granted, any time after the third anniversary of the Listing Date. No option holder shall in any way sell, transfer, assign, charge, mortgage, encumber or create any interest in favor of any third party over or in relation to any options or purport to do so.

Our Directors have undertaken to our Company that they will not exercise options granted under the Pre-IPO Share Option Scheme to such extent that the Shares held by the public (as defined in the Listing Rules) after the Global Offering will fall below the required percentage set out in Rule 8.08 of the Listing Rules or such other percentage as approved by the Stock Exchange from time to time.

Further details of the Pre-IPO Share Option Scheme are set out in Appendix VI to this Prospectus.

USE OF PROCEEDS

We estimate that we will receive net proceeds of approximately HK$570.0 million from the Global Offering, assuming that the Over-allotment Option is not exercised, after deducting the underwriting commissions and other estimated offering expenses payable by us and based on the offer price of HK$1.60 per Share.

We intend to use the proceeds from the Global Offering for the purposes and in the amounts set out below:

- approximately 35%, or HK$199.5 million, is expected to be used for the expansion of our distribution network and supporting our distributors in opening new retail outlets as well as upgrading existing retail outlets by the end of 2015. Through such support, we plan to open over 50 new Hosa retail outlets operated by our distributors or sub-distributors and increase the number of Hosa retail outlets to over 1,200 spanning 28 provinces and municipalities by the end of 2011. Also see "Risk Factors — Risks relating to our business operations — We may fail to execute our growth strategy or manage our expanded business";

- approximately 25%, or HK$142.5 million, is expected to be used to further enhance our brand image through marketing and promotion;

- approximately 15%, or HK$85.5 million, is expected to be used for the expansion of our production capacity;

- approximately 10%, or HK$57.0 million, is expected to be used for research, design and development activities;

- approximately 5%, or HK$28.5 million, is expected to be used for further developing and upgrading our supply chain and information management systems; and

- the remaining approximately 10%, or HK$57.0 million, is expected to be used to fund our working capital and general corporate purposes.

To the extent that the net proceeds from the Global Offering are not immediately applied to the above purposes, we intend to deposit the proceeds into interest-bearing bank accounts with financial institutions.

For more information about our intended use of the proceeds from the Global Offering, please see the section headed "Future Plans and Use of Proceeds".

RISK FACTORS

Risks Relating to Our Business Operations

- We rely heavily on our *Hosa*™ brand and any failure to effectively promote or maintain our *Hosa*™ brand may materially and adversely affect our future success.

- Our success depends on our ability to anticipate and respond in a timely manner to the rapid changes in consumer tastes and advances in technologies.

- We operate in a competitive market and the intensified competition we face may result in a decline in our market share and lower profit margins.

- Our limited operating experience with a distributorship business model and our failure to effectively handle the risks associated with our distributorship arrangement may materially and adversely affect our business.

- We rely on a small number of customers for a significant portion of our sales and our failure to maintain good relationships with our distributors may adversely affect our business.

- We rely primarily on our distributors to expand our retail network and oversee sub-distributors and their failure to do so may materially and adversely affect our business.

- Our ability to accurately track the sales and inventory levels of our distributors and sub-distributors may be limited.

- Our distributors and sub-distributors primarily operate *Hosa* retail outlets through department stores. Failure to secure retail spaces within the department stores on commercially reasonable terms could have a material and adverse effect on us.

- We may experience delays in collecting trade and bill receivables from our customers and our financial condition and results of operations could be materially and adversely affected.

- We recorded negative operating cash flows in 2008 and 2009, and recorded positive operating cash flows in 2010 and the first six months of 2011, and we cannot assure you that we will record positive operating cash flows again in the future.

- Disruption of our manufacturing operations could have a material and adverse effect on us.

- Expansion of our production capacity may not be successful.

- We are dependent on suppliers for our raw materials and on our contract manufacturers for the production of a portion of our indoor sportswear and all of our accessories products.

- We may be materially and adversely affected by increases in the market prices of raw materials.

- We are subject to certain risks relating to the transportation and warehousing of our products.

- If we are unable to optimize and adjust our product mix, our sales may fluctuate and our profit margins may decline substantially.

- Our leased properties in the PRC may be subject to legal irregularities.

- Our historical financial performance should not be used as an indicator for future financial performance.

- We may fail to execute our growth strategy or manage our expanded business.

- Our ability to obtain additional financing may be limited, which could delay or prevent the completion of one or more of our strategies.

- Our overseas sales may not be successful or profitable.

- The decline in popularity of indoor sports or the number of indoor sports facilities and gymnasiums in China could have a material and adverse effect on us.

- End-consumers' demand for our products are subject to seasonality and weather conditions, which could cause our results of operations to fluctuate.

- We rely on our key personnel and our ability to attract and retain qualified personnel. Failure to attract, retain and motivate qualified personnel could have a material and adverse effect on us.

- Our business relies on the proper performance of our information management systems, and any malfunction for extended periods of time could have a material and adverse effect on us.

- We may be required to make additional contributions of social insurance under PRC national laws and regulations.

- We may not be able to adequately protect our intellectual property rights, which could materially and adversely harm our *Hosa*™ brand and our business.

- We may be required to defend ourselves against claims of third parties for possible infringement of their intellectual property rights.

- Our insurance coverage may not be sufficient to cover the risks related to our operations.

- *Our Hosa*™ brand may be damaged if our contract manufacturers or suppliers violate any relevant laws, rules or regulations, particularly in respect of labor and environmental protection.

- We are a holding company and rely on dividend payments from our subsidiaries to fund our cash and financing requirements, including funding dividend payments to our Shareholders.

- Any change in our tax treatment, including preferential corporate tax rates, in the PRC may have a negative impact on our operating results.

- We may experience a shortage of labor or an increase in labor costs, which could have a material adverse effect on our business and results of operations.

- Natural disasters, acts of war, political unrest and epidemics, which are beyond our control, may cause damage, loss or disruption to our business.

Risks Relating to Conducting Business in the PRC

- Changes in the economic, political and social conditions in the PRC as well as policies adopted by the PRC Government may have a material and adverse effect on China's overall economic growth, which could in turn affect our business, financial condition, results of operations and prospects.

- Fluctuations in consumer spending caused by changes and uncertainty in macro-economic conditions and economic downturn in the PRC may materially and adversely affect our business operations and financial performance.

- Restrictions by the PRC Government on foreign exchange may limit the liquidity of our Company.

- Fluctuations in foreign exchange rates may materially and adversely affect our financial condition and results of operations.

- We may be deemed a PRC resident enterprise under the EIT Law and be subject to PRC taxation on our worldwide income.

- Gains on the sales of our Shares by foreign investors and dividends on our Shares payable to foreign investors may become subject to PRC income taxes.

- The PRC legal system is not fully developed and has inherent uncertainties which could limit the legal protections available to us and materially and adversely affect our business operations.

- It may be difficult to effect service of process on, or to enforce any judgments obtained outside the PRC against, our Company or our Directors or senior management members who reside in the PRC.

- Failure to comply with the SAFE regulations relating to the establishment of offshore special purpose companies by PRC residents may materially and adversely affect our business operations.

- As a foreign company, our acquisitions of PRC domestic companies may require a longer period of time and be subject to higher levels of scrutiny by the PRC Government.

Risks Relating to the Global Offering and Our Shares

- There has been no prior public market for our Shares and an active trading market for our Shares may not develop.

- The liquidity, trading volume and trading price of our Shares may be volatile, which could result in substantial losses for Shareholders.

- Prior dividend distributions are not an indication of our future dividend policy.

- The interests of our Controlling Shareholders may not always coincide with the interests of our Company and our other Shareholders, and the Controlling Shareholders may exert significant control or substantial influence over us and may take actions that are not in, or may conflict with, our and public Shareholders' best interests.

- Potential investors will experience immediate and substantial dilution as a result of the Global Offering and could face future dilution as a result of future equity financings.

- Sales or the availability for sales of substantial amounts of our Shares in the future could materially and adversely affect the prevailing market price of our Shares.

- The costs of share options granted under the Pre-IPO Share Option Scheme and to be granted under the Share Option Scheme may materially and adversely affect our results of operations and any exercise of the options granted will result in dilution to our Shareholders.

- Investors may face difficulties in protecting their interests because we are incorporated under Cayman Islands law and protection for minority shareholders under Cayman Islands law may be different from those under the laws of Hong Kong and other jurisdictions.

- We cannot guarantee the accuracy of certain facts, forecasts and other statistics with respect to China, the economy and the Chinese indoor sportswear industry supplied by other parties contained in this Prospectus.