

Last Friday, June 24, 2011, at about 10:00 p.m., Hosa International Ltd announced that, due to the unforeseen, adverse market conditions and the current market volatility in the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), Management had decided not to proceed with its Global Offering Prospectus at this time. This is a pity, actually, because, in TARGET's opinion, the Company is very much a winner. Since Hosa International Ltd has intimated that it *'may revisit the (Hongkong) market when the environment improves'*, this medium sees no reason that its financial analysis of this Company should not be published in its entirety.

**HOSA INTERNATIONAL LTD:
THIS COMPANY DOES NOT NEED TO GO PUBLIC**

For a company that only saw the light of day about 15 years ago and whose Management can claim, today, of having achieved the height of being in thin, rarefied air as being one of the largest producers of specialised clothing for men and women in the People's Republic of China (PRC), that is, really, something.

The company about which **TARGET** () is referring is Hosa International Ltd () (Code: 2200, Main Board, The Stock Exchange of Hongkong Ltd).

Hosa International Ltd issued its Global Offering Prospectus on June 17, 2011, when it Offered 400 million, one-cent Shares at an Offer Price Per Share, ranging from a low of \$HK2.88 to a high of \$HK4.10.

Of the total number of shares on Offer, 40 million shares are reserved for investors of the Hongkong Special Administrative Region (HKSAR) of the PRC and 360 million shares, being reserved for International Investors.

An **'OVERVIEW'** of this Company is given at Page 106 of the Global Offering Prospectus as follows:

'We own and operate HosaTM, the largest indoor sportswear brand in terms of 2010 ex-factory sales 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 HosaTM 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.'

A breakdown of the revenue of this Company in terms of sales of its 4 categories of clothing with regard to the 36 months, ended December 31, 2010, is given at Page 113 of the Global Offering Prospectus:

'The table below sets out the revenue generated from each of the operating segments representing different product categories from our continuing operations for the years ended 31 December 2008, 2009 and 2010:

	<i>Year ended 31 December</i>					
	<i>2008</i>		<i>2009</i>		<i>2010</i>	
	<i>RMB'000</i>	<i>%</i>	<i>RMB'000</i>	<i>%</i>	<i>RMB'000</i>	<i>%</i>
<i>Swimwear</i>	<i>59,836</i>	<i>29.2</i>	<i>70,631</i>	<i>44.4</i>	<i>143,477</i>	<i>41.3</i>
<i>Fitness wear</i>	<i>87,321</i>	<i>42.7</i>	<i>31,316</i>	<i>19.7</i>	<i>73,806</i>	<i>21.2</i>
<i>Sports underwear.</i>	<i>54,536</i>	<i>26.7</i>	<i>52,873</i>	<i>33.2</i>	<i>111,582</i>	<i>32.1</i>
<i>Accessories.</i>	<i>2,950</i>	<i>1.4</i>	<i>4,349</i>	<i>2.7</i>	<i>18,922</i>	<i>5.4</i>
<i>Total.</i>	<i><u>204,643</u></i>	<i><u>100.0</u></i>	<i><u>159,169</u></i>	<i><u>100.0</u></i>	<i><u>347,787</u></i>	<i><u>100.0</u></i>

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