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Hontex International Holdings Company Limited

洪良國際控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 946)

ANNOUNCEMENT MADE PURSUANT TO RULE 13.09 OF THE LISTING RULES

This announcement is made by Hontex International Holdings Company Limited (the “**Company**”) pursuant to Rule 13.09 of the Rules (the “**Listing Rules**”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

References are made to the Company’s announcements dated 21 April 2010 and 30 August 2010 in relation to, amongst other things, the proceedings commenced by the Securities and Futures Commission (the “**SFC**”) against the Company and its four wholly-owned subsidiaries, namely, Easy Venture International Limited (“**East Venture**”), Star Guide Investments Limited (“**Star Guide**”), Prosper Advance International Limited (“**Prosper Advance**”) and First Heritage Limited (“**First Heritage**”), by way of an originating summons in the High Court Miscellaneous Proceedings No. 630 of 2010 dated 30 March 2010 (the “**Action**”). Star Guide and Prosper Advance ceased to be the parties of the proceedings pursuant to a consent order dated 5 January 2012.

The board (the “**Board**”) of directors (the “**Directors**”) of the Company announces that on 20 June 2012, the Company, Easy Venture, First Heritage and the SFC have entered into a consent summons of the Action. On the same date, the Court of First Instance (the “**Court**”) has made an order (the “**Order**”) with the principal terms as follows:–

1. The Company shall pay the sum of HK\$197,755,503 into the Court within 28 days from the date of the Order;
2. The injunction order (the “**Injunction Order**”) made on 29 March 2010 against the Company, East Venture, Star Guide, Prosper Advance and First Heritage in the Action is varied to allow the sum of HK\$832,244,497 held in the accounts of the Company, East Venture and First Heritage to be paid into the Court within 28 days from the date of the Order;
3. The Company shall convene an extraordinary general meeting (the “**Meeting**”) to be held in Hong Kong within 2 months from the date of the Order of all the shareholders (the “**Shareholders**”) of the Company for the purpose of considering and if thought fit

approving the proposal for a repurchase (the “**Repurchase**”) of the shares (the “**Shares**”) of the Company by the Company at the offer price of HK\$2.06 per Share (the “**Offer Price**”) from all the Shareholders (or such of the Shareholders who shall have accepted the offer for the Repurchase of the Company) as of the date of the Order other than the Company’s investors immediately prior to its initial public offering, namely, More Will Investments Limited, Joyous King Holdings Limited, Sunny Beauty Limited, Speedy Grand Limited, Forever Art Holdings Limited, Head Pearl International Limited, Shao Ten-Po, Hsu Chieh-Jung, Tseng Chung-Cheng, Liao Chin-Yi and Hu Chin-Shu (collectively, the “**Pre-IPO Investing Shareholders**”);

4. At least 21 clear days before the day appointed for the Meeting, the Company shall (i) advertise a notice convening the Meeting (the “**Notice**”) once in Chinese in Sing Tao Daily and once in English in the South China Morning Post; (ii) send the Notice (in both English and Chinese) by prepaid mail to the last known addresses of all the Shareholders, and (iii) send a copy of the Notice to the Administrators (as defined below);
5. Subject to the resolution(s) relating to the Repurchase proposal being passed at the Meeting (or any adjourned meeting thereof) by the requisite majority of the Shareholders (with the Pre-IPO Investing Shareholders who shall abstain from voting) approving the Repurchase proposal on a vote decided by way of a poll, Mr. Stephen Liu Yiu Keung, Mr. David Yen Ching Wai and Ms. Koo Chi Sum, all of Ernst & Young (Hong Kong) shall be appointed as the joint and several administrators of the Company (the “**Administrators**”) to administer the Repurchase;
6. The Company shall pay for the costs, fees and expenses of the Administrators and the costs of effecting the Repurchase;
7. The Company shall pay the SFC’s costs of the Action in the sum of HK\$7,000,000 (including costs reserved) within 28 days from the date of the Order;
8. The Injunction Order is to be discharged upon completion of the Repurchase;
9. All further proceedings in the Action shall be stayed unless the Company fails to pay the sum of HK\$197,755,503 into the Court within the prescribed time limit or the Pre-IPO Investing Shareholders do not abstain from voting on the resolution(s) relating to the Repurchase proposal at the Meeting with the result that the resolution(s) on the Repurchase proposal will be defeated, in which case the SFC will be at liberty to restore the Action for hearing before the Court.

The Board further announces that the Meeting will be held in Hong Kong on or before 20 August 2012, Monday. Details of the time and venue of the Meeting will be announced in the Notice, which, together with the circular giving more information on the Repurchase proposal, will be published on the websites of the Stock Exchange and the Company and despatched to the Shareholders not less than 21 clear days before the day appointed for the Meeting (i.e. on or before 27 July 2012, Friday).

The Company will keep the Shareholders informed of any further material development in connection with the Action, the Meeting and the Repurchase by way of further announcement(s) as and when appropriate.

By order of the Board
Hontex International Holdings Company Limited
Mr. Shao Ten-Po
Chairman

Taiwan, 28 June 2012

As at the date of this announcement, the Board comprises four executive Directors, namely, Shao Ten-Po, Tseng Chung-Cheng, Liao Chin-Yi, Liao Min-Chiang, one non-executive Director, namely, Wang Shih-Ting, and three independent non-executive Directors, namely, Lu Chien-An, Chang Chuan-Fang and Chen Fang-Kun.