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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)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (the “**EGM**”) of Hontex International Holdings Company Limited (the “**Company**”) will be held at 9:00 a.m. on 20 August 2012 (Monday) at Grand Ballroom, 1/F., Harbour Grand Kowloon, 20 Tak Fung Street, Whampoa Garden, Hungghom, Kowloon, Hong Kong for the purposes of considering and, if thought fit, passing the following resolution as an ordinary resolution of the Company.

ORDINARY RESOLUTION

1. THAT:

- (a) the Shares Repurchase of up to 500,000,000 Shares (representing 25% of the issued share capital of the Company in maximum as at the Latest Practicable Date) at the Offer Price of HK\$2.06 per Repurchase Share in cash by the Company from all the Qualifying Shareholders and all transactions and steps ancillary thereto be and are hereby generally and unconditionally approved;
- (b) the Board be and is hereby authorized to exercise all powers to implement the Shares Repurchase, including but not limited to obtaining any legally available funds for the Shares Repurchase, as well as applying for any waivers from strict compliance with the Listing Rules and/or Takeovers Code and/or Repurchase Code for effecting the Shares Repurchase, subject to and in accordance with all applicable laws and regulations and the Articles of Association, and to negotiate, prepare, execute, amend, supplement and implement all the documents in connection with and/or to give effect to and/or implement the Shares Repurchase with the SFC and the Administrators and/or other relevant parties, and any one Director be and is hereby authorized, after consultation and upon agreement with the majority of the Independent Board Committee, to sign, execute, perfect, deliver or to authorize signing, executing, perfecting and delivering all such documents and deeds (with or without amendments), to do or authorize doing all such acts, matters and things as he may in his discretion consider necessary,

expedient or desirable in connection with and/or to give effect to and/or implement the Shares Repurchase, and all the Directors' acts as aforesaid taken before and/or taken after the passing of this resolution be and are hereby approved, ratified and confirmed.

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

Taiwan, 27 July 2012

As at the date of this notice, 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.

Notes:

1. Unless the context requires otherwise, capitalized terms used herein shall have the same meanings as those defined in the Company's circular dated 27 July 2012, which is available on the Stock Exchange's website at <http://www.hkexnews.com.hk> and the Company's website at <http://ir.hontex.cn>.
2. The register of members of the Company will be closed from 13 August 2012 (Monday) to 20 August 2012 (Monday), both days inclusive, during which period no transfer of Shares can be registered. In order to qualify to attend and vote at the EGM, all transfer documents accompanied by the relevant share certificate(s) must be lodged with the Company's Hong Kong branch share registrar, Tricor Investor Services Limited, at 26/F., Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on 10 August 2012 (Friday).
3. Shareholders who are entitled to attend and vote at the EGM may appoint one or more proxies to attend and vote on their behalf. A proxy need not be a Shareholder of the Company but must be present in person at the EGM to represent the Shareholder. If more than one proxy is so appointed, the appointment shall specify the number and class of Shares in respect of which each such proxy is so appointed.
4. In order to be valid, the proxy form must be deposited by hand or by post to the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at 26/F., Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time for holding the EGM or any adjournment thereof. If the proxy form is signed by a person under a power of attorney or other authority, a notarially certified copy of that power of attorney or authority shall be deposited at the same time as mentioned in the proxy form. Completion and return of the proxy form will not preclude Shareholders from attending and voting in person at the EGM or any adjournment thereof should the Shareholders so wish.
5. Shareholders or their proxies shall produce their identity documents when attending the EGM.
6. Where there are joint registered holders of any Shares, any one of such joint holders may vote, either in person or by proxy, in respect of such Share as if he/she was solely entitled thereto, but if more than one of such joint holders are present at the meeting, whether in person or by proxy, the joint registered holder present whose name stands first on the register of members of the Company in respect of the Shares shall be accepted to the exclusion of the votes of the other registered holders.
7. The EGM is expected to last for less than one day. Shareholders or their proxies attending the EGM shall be responsible for their own traveling and accommodation expenses.
8. As required by the Listing Rules and the Court Order, the above resolution will be decided by way of poll.

9. It is the current intention of the Board to appoint a financial adviser to advise on resumption of trading of Shares in the Company. As at the Latest Practicable Date, trading in the Shares remains suspended and will remain suspended unless and until approvals are obtained from both the Stock Exchange and the SFC for resumption of trading, which may not be granted. **Shareholders should be aware and reminded that, if the Company loses its listing status, any protection under the Listing Rules as well as the Takeovers Code and Repurchase Code may not be available to the Shareholders.**
10. Your attention is also drawn to (i) the Statement of Agreed Facts, (ii) the Court Order and (iii) the summary of steps on implementation of the Shares Repurchase as attached hereto.

STATEMENT OF AGREED FACTS

STATEMENT OF AGREED FACTS

The following is the full text of the Agreed Facts jointly filed with the Court by the SFC, the Company, Easy Venture and First Heritage in relation to the Action on 20 June 2012. **The contents of the Agreed Facts are solely for the purpose of the proceedings of the Action and do not constitute any admission by the Company and/or any of the Relevant Subsidiaries for any other purposes whatsoever.**

The original English text shall prevail over its Chinese translation in case of any inconsistency between the two versions.

STATEMENT OF AGREED FACTS

Garment Co Ltd, Shishi Maigen Dress Co Ltd and Fuqing Ecotex Hi-tech Outdoor Product Ltd (collectively "**the Subsidiaries**").

2. The 2nd and 5th Defendants are companies incorporated under the Companies Ordinance (Cap 32) and are, through a wholly owned subsidiary named Easy Era Group Limited, wholly owned subsidiaries of the 1st Defendant. The 2nd and 5th Defendants are investment holding companies and carry on no other business of their own.
3. At all material times the executive directors of the 1st Defendant were:-
 - (1) Shao Ten-Po;
 - (2) Tseng Chung-Cheng;
 - (3) Liao Chin-Yi;
 - (4) Hu Chin-Shu; and
 - (5) Liao Min-Chiang.
4. On 23 July 2009, the 1st Defendant, through Mega Capital (Asia) Company Limited ("**Mega Capital**"), the sponsor of the Global Offer (as defined below), applied to the listing committee of the SEHK for the listing of, and for permission to deal in, 500,000,000 shares as described in a draft Prospectus for Global Offering of the 1st Defendant ("**the Prospectus**") inviting applications to subscribe for and to purchase an aggregate of 500,000,000 shares at a price of not more than HK\$2.78 per share ("**the Global Offer**"). In purported compliance with the requirements of sections 3 and 5 of the Securities and Futures (Stock Market Listing) Rules (Cap 571, sub leg) and section 342C of the Companies Ordinance, the 1st Defendant provided a copy of the draft Prospectus to the SEHK and to the Plaintiff in support of its application.
5. On 14 December 2009, the 1st Defendant issued, disclosed, circulated, distributed or disseminated, alternatively authorized or was concerned in the issue, disclosure, circulation, distribution or dissemination, of the Prospectus. The Prospectus indicated that

STATEMENT OF AGREED FACTS

the shares allotted under the Global Offer would be admitted for trading on the Main Board of the SEHK and dealings in these shares would commence at 9:30 a.m. on 24 December 2009. On the same day, the 1st Defendant issued an announcement on the Global Offer on the SEHK website and published the announcements in the South China Morning Post and Hong Kong Economic Times.

6. The Prospectus contained, inter alia, the following items of information about the 1st Defendant and its group of companies (“**the Group**”):

		For the year ended 31 December 2006	For the year ended 31 December 2007	For the year ended 31 December 2008
(1)	Turnover	RMB 653,380,000	RMB 932,476,000	RMB 1,266,050,000
(2)	Gross Profit	RMB 151,105,000	RMB 234,507,000	RMB 354,419,000
(3)	Profit from Operations	RMB 120,758,000	RMB 198,316,000	RMB 311,128,000
(4)	Profit before Taxation	RMB 116,305,000	RMB 195,833,000	RMB 309,206,000
(5)	Profit Attributable to Equity Shareholders	RMB 102,496,000	RMB 170,461,000	RMB 242,339,000
(6)	Earnings per Share	RMB 6.57 cents	RMB 10.93 cents	RMB 15.53 cents

		As at 31 December 2007	As at 31 December 2008	As at 30 June 2009
(7)	Cash and Cash Equivalents of the Group	RMB 89,175,000	RMB 175,895,000	RMB 237,924,000
(8)	Cash at Bank of the Group	RMB 89,111,000	RMB 175,448,000	RMB 237,449,000

STATEMENT OF AGREED FACTS

		As at 31 December 2008	As at 8 December 2009
(9)	Number of Franchise Stores	420	665

7. The 1st Defendant accepts and acknowledges that, in respect of the Prospectus, the information in paragraph 6 above:
- (a) separately and together was likely to induce other persons in Hong Kong to subscribe for or purchase the securities of Hontex; and
 - (b) was false or misleading as to material facts, or was false or misleading through the omission of material facts.
8. The Plaintiff claims that the true position, as best as can be established, is as follows:
- (1) the cash and cash equivalents balances and the cash at bank balances of the Group for the years ended 31 December 2007 and 2008 and the 6 months ended 30 June 2009 included the balances of the major bank accounts of the Subsidiaries. As set out in the Statement of Claim, the balances of these major bank accounts as at 31 December 2007, 31 December 2008 and 30 June 2009 were RMB 16,117,000, RMB 7,715,000 and RMB30,995,000 respectively and not the amounts stated in the Prospectus (as set out in paragraph 6 above) which were materially overstated.
 - (2) As set out in the Statement of Claim, the number of franchise stores of the Group as at 31 December 2008 and 8 December 2009 were overstated in the Prospectus by at least 8 and 37 respectively.
 - (3) As set out in the Statement of Claim, the turnover for the Group as stated in the Prospectus for the years ended 31 December 2006, 2007 and 2008 was overstated by approximately RMB 380,934,125, RMB 708,894,820 and RMB 974,733,321 respectively.

STATEMENT OF AGREED FACTS

- (4) As set out in the Statement of Claim, the profit before tax for the Group as stated in the Prospectus for the years ended 31 December 2006, 2007 and 2008 was overstated by approximately RMB 102,935,289, RMB 185,001,887 and RMB 298,286,785 respectively and hence the profit figures set out in paragraphs 6(2), 6(3) and 6(5) above and the earning per share set out in paragraph 6(6) above were also materially overstated.
9. The 1st Defendant cannot verify the full extent of the difference between its true financial position for the years ended 31 December 2006, 31 December 2007 and 31 December 2008 as well as the 6 months ended 30 June 2009 and the information in the Prospectus set out in paragraph 6 above and therefore does not agree to the figures set out in paragraph 8(1) to (4) above.
10. As a result of the Global Offer, 12,464 persons subscribed for the shares of the 1st Defendant and became shareholders.
11. On or about 24 December 2009, the 1st Defendant received net proceeds from the Global Offer totaling approximately HK\$997,400,000.
12. Subsequent to the listing of the 1st Defendant's shares on the SEHK, shares of the 1st Defendant were traded on the SEHK until trading was suspended on 30 March 2010.
13. According to the 1st Defendant's share register, after trading was suspended, there were 779 registered shareholders of the 1st Defendant. Out of the 779 registered shareholders of the 1st Defendant, 6 shareholders were companies held by Shao, Hsu, Tseng, Liao and Hu. Another registered shareholder was the Central Clearing and Settlement System which held shares of the 1st Defendant on behalf of 7,001 investors.
14. On 30 August 2010, the 1st Defendant acknowledged the falsity of material statements in the Prospectus by issuing a formal Announcement via the SEHK in which it was announced that, among other things:-

STATEMENT OF AGREED FACTS

- (1) the 1st Defendant's Audit Committee had reported to the 1st Defendant's board of directors that based on its findings so far, reliance could not be placed upon the statements made in the Prospectus; and
- (2) in light of the 1st Defendant's Audit Committee's findings, the 1st Defendant's board of directors had concluded that investors of the 1st Defendant should be compensated.
15. The 1st Defendant admits and acknowledges disclosing, circulating or disseminating, or authorizing or being concerned in the disclosure, circulation or dissemination of the information in paragraph 6 above, which was likely to induce other persons to subscribe for and/or purchase the securities of Hontex in Hong Kong and being reckless as to whether the information was false or misleading as to a material fact, or was false or misleading through the omission of a material fact and the 1st Defendant hereby admits it contravened section 298(1) of the Securities & Futures Ordinance (Cap 571).
16. The 2nd and 5th Defendants confirm that they received part of the proceeds of the Global Offer. In February and March 2010 a total of HK\$260,350,000 and US\$5,900,000 representing part of the proceeds received from the Global Offer was transferred from an account of the 1st Defendant held at Bank of East Asia to the account of the 2nd Defendant held at the Bank of East Asia as follows:
- 11 February 2010 – US\$3,000,000
- 12 March 2010 – HK\$100,000
- 29 March 2010 – HK\$250,000
- 29 March 2010 – HK\$260,000,000 and US\$2,900,000

STATEMENT OF AGREED FACTS

17. On 12 March 2010 the sum of HK\$100,000 representing part of the proceeds received from the Global Offer was transferred from an account of the 1st Defendant held at Bank of East Asia to the account of the 5th Defendant held at the Bank of East Asia.

Signed by: *Li X Partners*
Name: *LI X PARTNERS, Solicitors for the 1st, 2nd & 5th Defendants*
Date: *20 June 2012*

For and on behalf of the 1st, 2nd and 5th Defendants

Witnessed by: *Chau Chi Chung*
Name: *Chau Chi Chung*
Date: *20 June 2012*

Signed by: *Mark Steward*
Name: *MARK STEWARD*
Date: *20 June 2012*

For and on behalf of the Securities and Futures Commission

Witnessed by: *Maureen Garbett*
Name: *MAUREEN GARRETT*
Date: *20 June 2012*

STATEMENT OF AGREED FACTS

HCMP 630 / 2010

IN THE HIGH COURT OF THE
HONG KONG SPECIAL ADMINISTRATIVE REGION
COURT OF FIRST INSTANCE
MISCELLANEOUS PROCEEDINGS NO.630 OF 2010

IN THE MATTER OF Section 213 of the
Securities and Futures Ordinance (Cap. 571)

BETWEEN

SECURITIES AND FUTURES COMMISSION

Plaintiff

and

HONTEX INTERNATIONAL

HOLDINGS COMPANY LIMITED

1st Defendant

EASY VENTURE INTERNATIONAL LIMITED

2nd Defendant

STAR GUIDE INVESTMENTS LIMITED

3rd Defendant

PROSPER ADVANCE INTERNATIONAL LIMITED

4th Defendant

FIRST HERITAGE LIMITED

5th Defendant

STATEMENT OF AGREED FACTS

Dated the ^{20th} day of June 2012
Filed the ^{20th} day of June 2012

Securities and Futures Commission
8th Floor, Chater House
8 Connaught Road Central
Hong Kong
Tel: 2840 9482 / 2840 9222
Fax: 2521 7884
Ref: 122/LG/1000/0027

COURT ORDER

COURT ORDER

The following is the full text of the Court Order made by the Court in respect of the Action on 20 June 2012. The original English text shall prevail over its Chinese translation in case of any inconsistency between the two versions.

COURT ORDER

HCMP 630/2010



22 JUN 2012

IN THE HIGH COURT OF THE
HONG KONG SPECIAL ADMINISTRATIVE REGION
COURT OF FIRST INSTANCE
MISCELLANEOUS PROCEEDINGS NO. 630 OF 2010

IN THE MATTER OF SECTION 213 OF
THE SECURITIES AND FUTURES
ORDINANCE (Cap. 571)

BETWEEN

SECURITIES AND FUTURES COMMISSION

Plaintiff

and

HONTEX INTERNATIONAL HOLDINGS COMPANY LIMITED

1st Defendant

EASY VENTURE INTERNATIONAL LIMITED

2nd Defendant

STAR GUIDE INVESTMENTS LIMITED

3rd Defendant

PROSPER ADVANCE INTERNATIONAL LIMITED

4th Defendant

FIRST HERITAGE LIMITED

5th Defendant

BEFORE THE HONOURABLE MR JUSTICE HARRIS IN COURT

ORDER

UPON the joint application of the Plaintiff and the 1st, 2nd and 5th Defendants by way of Consent Summons filed on 20 June 2012

AND UPON reading the Statement of Agreed Facts between the Plaintiff and the 1st, 2nd and 5th Defendants filed on 20 June 2012 (“**the Statement of Agreed Facts**”)

AND UPON the undertaking of the solicitors for the 1st, 2nd and 5th Defendants that the sum of HK\$151,000,000 now standing in their trust account (“**the Trust Account**”) held on behalf of Mr Shao Ten-Po, Mr Tseng Chung-Cheng, Mr Hsu Chieh-Jung and Mr Liao Chin Yi will be held for the purposes of permitting the 1st, 2nd and 5th

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Defendants to comply with this Order and will not be transferred out of the Trust Account for any other purpose.

AND UPON hearing Leading Counsel for the Plaintiff and Leading Counsel for the 1st, 2nd and 5th Defendants

IT IS ORDERED that:-

1. The 1st Defendant pay the sum of HK\$197,755,503 into Court within 28 days hereof;
2. Pursuant to section 213(9) of the Securities and Futures Ordinance (“SFO”), the Injunction Order made on 29 March 2010 (“Injunction Order”) be varied to allow the sum of HK\$832,244,497 held in the accounts of the 1st, 2nd and 5th Defendants to be paid into Court within 28 days hereof;
3. Pursuant to section 213(2)(b) of the Securities and Futures Ordinance:-
 - 3.1 the 1st Defendant do convene an extraordinary general meeting to be held in Hong Kong within 2 months from the date hereof of all the shareholders of the 1st Defendant (“**the Meeting**”) for the purpose of considering and if thought fit approving a repurchase of the shares of the 1st Defendant, by the 1st Defendant (“**the Repurchase**”), 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 (as defined below) of the 1st Defendant as of the date of this Order (“**the Public Shareholders**”) other than the following persons:-
 - (i) More Will Investments Limited;
 - (ii) Joyous King Holdings Limited;
 - (iii) Sunny Beauty Limited;
 - (iv) Speedy Grand Limited;
 - (v) Forever Art Holding Limited;
 - (vi) Head Pearl International Limited;
 - (vii) Shao Ten-Po;

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- (viii) Hsu Chieh-Jung;
 - (ix) Tseng Chung-Cheng;
 - (x) Liao Chin-Yi; and
 - (xi) Hu Chin-Shu
- ((i) to (xi) referred to collectively as “**the Controlling Shareholders**”);
- 3.2 At least 21 clear days before the day appointed for the Meeting, the 1st Defendant do (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 of the 1st Defendant; and (iii) send a copy of the Notice to the Administrators (to be appointed under this Order);
- 3.3 The Notice shall, in addition to complying with the Articles of Association of the 1st Defendant and all applicable laws, include:-
- (i) a copy of the Schedule of Agreed Facts;
 - (ii) a copy of this Order;
 - (iii) a summary of the steps which the 1st Defendant will take to effect the Repurchase, including but not limited to the Offer Price and the total amount to be paid by the 1st Defendant if all the eligible shareholders of the 1st Defendant accept the offer for the Repurchase; and
 - (iv) the status of the 1st Defendant’s listing with the Stock Exchange of Hong Kong after the conclusion of the Repurchase;
- 3.4 The 1st Defendant shall obtain the Plaintiff’s prior written approval of the contents of the Notice before its advertisement;
- 3.5 The Meeting is to be conducted in accordance with the Articles of Association of the 1st Defendant and all applicable laws; representatives of the Plaintiff and the Administrators (to be appointed under this Order) shall attend the Meeting to observe the conduct of the Meeting;

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- 3.6. If a resolution is passed at the Meeting (or any adjourned meeting) by the requisite majority of the shareholders of the 1st Defendant approving the Repurchase on a vote to be decided by way of a poll, the 1st Defendant do within 3 days from the date of such resolution inform the Administrators (to be appointed under this Order) of the approval of the Repurchase;
- 3.7 Pursuant to section 213(2)(d) of the Securities and Futures Ordinance, Mr Stephen Liu Yiu Keung, Mr David Yen Ching Wai and Ms Koo Chi Sum, all of Ernst & Young (Hong Kong) 62/F One Island East, 18 Westlands Road, Island East, Hong Kong (“**the Administrators**”) be appointed Joint and Several Administrators of the 1st Defendant to administer the Repurchase; such appointment shall be conditional upon a resolution being passed at the Meeting (or any adjourned meeting) by the requisite majority of the shareholders of the 1st Defendant approving the Repurchase on a vote decided by way of a poll;
- 3.8 The Administrators shall jointly and severally have, inter alia, the following powers and duties:-
- (i) to recover, receive and administer the sum of HK\$1,030,000,000 paid by the 1st, 2nd and 5th Defendants into the Court under this Order for the purposes of the Repurchase and to return any amounts remaining after the conclusion of the Repurchase to the solicitors for the 1st, 2nd and 5th Defendants;
 - (ii) to recover, receive and administer the sum of HK\$3,000,000 held in the Trust Account on account of the costs, fees and expenses of the Administrators and the costs of effecting the Repurchase (collectively “**the Costs and Fees Liabilities**”) and to return any amounts remaining after the payment of the Costs and Fees Liabilities to the solicitors for the 1st, 2nd and 5th Defendants;
 - (iii) all such sums recovered or received by the Administrator are to be held in a designated bank account or accounts opened in the joint names of the Administrators, such account(s) to be interest bearing,

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and pending implementation of the Repurchase and distribution or payment contemplated thereunder and under this Order;

- (iv) to act in accordance with a protocol to be devised by the Plaintiff and the Administrators for the purposes of the Repurchase, which will involve, inter alia:
 - (1) making an offer to each of the Public Shareholders for the Repurchase (“**the Offer**”) by the issuance of a letter to each of the Public Shareholders in a form to be agreed between the Administrators and the Plaintiff and in compliance with the Rules Governing the Listing of Securities on the Stock Exchange and with the Code on Share Repurchases which shall be sent by prepaid mail to the last known addresses of all the Public Shareholders;
 - (2) advertising a notice of the Offer once in Chinese in Sing Tao Daily and once in English in the South China Morning Post;
 - (3) setting out the means of acceptance of the Offer and the deadline for accepting the Offer;
 - (4) receiving and processing the acceptances of those shareholders of the 1st Defendant who have accepted the Offer;
 - (5) distributing the payment for the Repurchase to each of the shareholders of the 1st Defendant who have duly accepted the Offer; and
 - (6) the setting of timing and time limits for the procedures contemplated in the protocol;
- (v) to liaise as necessary with the 1st Defendant in connection with the Offer and implementation thereof;
- (vi) to make payment for the Repurchase to each of the shareholders of the 1st Defendant who have duly accepted the Offer upon the return of interests of the shares of the 1st Defendant;
- (vii) to appoint agents, advisors and solicitors for the above purposes; and
- (viii) to open bank accounts.

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- 3.9 The 1st Defendant is to cooperate with the Administrators in the performance of the exercise of their powers;
- 3.10 The Administrators shall keep proper accounts of all the payments received and made pursuant to this Order and shall report:-
- a. to the 1st Defendant and to the Plaintiff upon any payment being made to the shareholders of the 1st Defendant who have accepted the Offer; and
 - b. to the Court and the Plaintiff upon conclusion of the Repurchase;
4. The 1st Defendant shall pay for the Costs and Fees Liabilities which are to be taxed if not agreed;
5. The 1st Defendant do pay the Plaintiff's costs of this action (including costs reserved) in the sum of \$7,000,000 to be paid within 28 days from the date hereof;
6. The Injunction Order is to be discharged upon completion of the Repurchase.

AND IT IS FURTHER ORDERED that:-

7. All further proceedings in this action be stayed except for the purposes of or connected with carrying this Order into effect for which purpose the parties are to be at liberty to apply, UNLESS the 1st Defendant fails to comply with paragraph 1 above or the Controlling Shareholders do not abstain from voting at the Meeting with the result that the Repurchase resolution is defeated, in which case the Plaintiff shall be at liberty to restore this matter for hearing before this Court and for hearing to continue and the Court to make whatever Orders it sees fit to make at the conclusion of the hearing.
8. Service of the Consent Summons dated 20 June 2012 on the 1st, 2nd and 5th Defendants be dispensed with.

Dated the 20th day of June 2012

Registrar

COURT ORDER

HCMP 630 / 2010

IN THE HIGH COURT OF THE
HONG KONG SPECIAL ADMINISTRATIVE REGION
COURT OF FIRST INSTANCE
MISCELLANEOUS PROCEEDINGS NO.630 OF 2010

IN THE MATTER OF Section 213 of the
Securities and Futures Ordinance (Cap. 571)

BETWEEN

SECURITIES AND FUTURES COMMISSION

Plaintiff

and

HONTEX INTERNATIONAL

HOLDINGS COMPANY LIMITED

1st Defendant

EASY VENTURE INTERNATIONAL LIMITED

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STAR GUIDE INVESTMENTS LIMITED

3rd Defendant

PROSPER ADVANCE INTERNATIONAL LIMITED

4th Defendant

FIRST HERITAGE LIMITED

5th Defendant

ORDER

Dated the 20th day of June 2012
Filed on the 22nd day of June 2012

Securities and Futures Commission
8th Floor, Chater House
8 Connaught Road Central
Hong Kong
Tel: 2840 9482 / 2840 9222
Fax: 2521 7884
Ref: 122/LG/1000/0027

SUMMARY OF STEPS ON IMPLEMENTATION OF THE SHARES REPURCHASE

After having fulfilled all the conditions of the proposed Shares Repurchase and obtained the requisite approval from the Independent Shareholders at the EGM, the Company will proceed with the Shares Repurchase. The Administrators will be responsible for administration of the Shares Repurchase and the Company will cooperate with the Administrators for its implementation.

For the purpose of implementing the Shares Repurchase, the Administrators will devise the Protocol with the SFC and act in accordance therewith. It is expected that the Protocol will involve, *inter alia*:

- (i) setting the timing for the Shares Repurchase as well as deciding the means of acceptance of the Repurchase Offer and the deadline for accepting the Repurchase Offer;
- (ii) opening designated interest-bearing bank account(s) in the joint names of the Administrators for the purposes of receiving and distributing or paying monies contemplated under the Shares Repurchase;
- (iii) depositing the sum of HK\$1.03 billion released from the Court into the designated interest-bearing bank account(s) for funding of the Shares Repurchase;
- (iv) receiving the sum of HK\$3 million for the costs, fees and expenses of the Shares Repurchase;
- (v) issuing a letter/document to each of the Qualifying Shareholders in a form to be agreed between the SFC and the Administrators which will be sent by prepaid mail to the last known addresses of all the Qualifying Shareholders;
- (vi) advertising a notice of the Repurchase Offer once in Chinese in the Sing Tao Daily and once in English in the South China Morning Post and publishing such notice on the websites of the Stock Exchange and the Company;
- (vii) receiving and processing the acceptances of those Qualifying Shareholders with respect to the Repurchase Offer;
- (viii) distributing the payment for the Shares Repurchase to each of the Qualifying Shareholders who have duly accepted the Repurchase Offer; and
- (ix) returning any amounts remaining after completion of the Shares Repurchase to the Company's solicitors.

As at the Latest Practicable Date, the Company has yet to set out a timetable and plans as to when and how the Shares Repurchase will be implemented as well as when payment will be made to the Qualifying Shareholders who duly accept the Repurchase Offer. Further details on the Repurchase Offer, including, amongst other things, explanation on the terms, timetable, procedures for acceptance of the Repurchase Offer and payment for the Repurchase Shares will be included in the offer document which will be despatched to the Qualifying Shareholders after the proposed Shares Repurchase being approved by the Independent Shareholders at the EGM.

Note: Based on the Offer Price of HK\$2.06 per Repurchase Share, if all the Qualifying Shareholders accept the Repurchase Offer, the maximum amount payable by the Company under the Shares Repurchase will be HK\$1.03 billion.