

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in doubt as to any aspect of this Offer Document or as to the action to be taken, you should consult a licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountants or other independent professional adviser.

Capitalized terms used herein shall have the same meanings as defined in the section headed "Definitions" in this Offer Document unless defined otherwise.

This Offer Document is intended to be despatched to the Shareholders of Hontex International Holdings Company Limited (the "Company") as at 4:30 p.m. on 20 June 2012 who remain as a Shareholder as at the date hereof and eligible to participate in the Repurchase Offer. If you are not a Shareholder of the Company as mentioned above or if you have sold or transferred all your Shares in the Company, you should at once hand this Offer Document with the accompanying Form of Acceptance (for Registered Qualifying Shareholders only) to the purchaser or the transferee or to the licensed securities dealer or registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

The Repurchase Offer is made to the Qualifying Shareholders only. The Repurchase Offer is/will not be made to any of the Excluded Shareholders or any transferees or assignees who acquired the Shares after the date of the Court Order unless they are the Qualifying Shareholders. Non-Registered Qualifying Shareholders who want to accept the Repurchase Offer should read the section headed "Important Notice" on page iii of this Offer Document carefully. For the avoidance of doubt, the Qualifying Shareholders who have subsequently transferred/deposited their Shares with CCASS/HKSCC Nominees Limited after the date of the Court Order will still be entitled to participate in the Repurchase Offer.

This Offer Document should be read in conjunction with the Circular and the Form of Acceptance, the contents of which form part of the terms of the Repurchase Offer contained herein.

Hong Kong Exchanges and Clearing Limited, The Stock Exchange of Hong Kong Limited, The Securities and Futures Commission of Hong Kong and the Hong Kong Securities Clearing Company Limited take no responsibility for the contents of this Offer Document, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Offer Document.



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)

REPURCHASE OFFER IN CASH BY THE ADMINISTRATORS
ON BEHALF OF
HONTEX INTERNATIONAL HOLDINGS COMPANY LIMITED TO
REPURCHASE UP TO 500,000,000 SHARES
AT THE OFFER PRICE OF HK\$2.06 PER SHARE

A letter from the Board and the Administrators, containing, amongst other things, further details of the Repurchase Offer in addition to the Circular, is set out on pages 8 to 16 of this Offer Document.

Further terms and procedures for acceptance of the Repurchase Offer are set out in the Appendix to this Offer Document and in the Form of Acceptance. Qualifying Shareholders who wish to accept the Repurchase Offer must strictly follow the instructions stipulated in this Offer Document and the Form of Acceptance.

In order to accept the Repurchase Offer, the Registered Qualifying Shareholders must lodge the duly completed Form of Acceptance together with the Title Document(s) with 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 as soon as possible and in any event not later than 4:00 p.m. on Monday, 29 October 2012 (Hong Kong time). At the direction of the SFC and the Administrators, the Company will extend the Offer Period for 28 days, i.e. until 4:00 p.m. on Monday, 26 November 2012, in the event that the level of acceptance of the Repurchase Offer is less than 50% as at 4:00 p.m. on Monday, 29 October 2012. The Company will make announcement on 29 October 2012 if the Offer Period is extended. Non-Registered Qualifying Shareholders are reminded to contact and notify their securities dealers, brokers, custodian banks, nominees or trustees as to their intention to accept the Repurchase Offer as soon as possible so that their securities dealers, brokers, custodian banks, nominees or trustees can accept the Repurchase Offer on their behalf by the Latest Acceptance Time. Qualifying Shareholders are reminded that if the Form of Acceptance is not duly completed and returned, together with the Title Document(s), by the Latest Acceptance Time, they will not be eligible to accept the Repurchase Offer and receive any money.

Persons or corporations who hold Shares on others' behalf, including but not limited to, securities dealers, brokers, custodian banks, nominees and trustees, shall at once notify the beneficial owners of the Shares (i.e. the Non-Registered Qualifying Shareholders) so that they have sufficient time to consider and, if thought fit, accept the Repurchase Offer through their securities dealers, brokers, custodian banks, nominees or trustees or make arrangements to register their Shares in their own name and accept the Repurchase Offer in their own name by the Latest Acceptance Time. Before accepting the Repurchase Offer on behalf of the Non-Registered Qualifying Shareholders, the securities dealers, brokers, custodian banks, nominees and trustees are reminded to conduct verification and obtain confirmation from each of the Non-Registered Qualifying Shareholders so as to ensure that they are the Qualifying Shareholders and that they have accepted the Repurchase Offer in full. Furthermore, where an instruction for accepting the Repurchase Offer is given by a CCASS Participant to HKSCC Nominees, the CCASS participant is deemed to have fully complied with the terms and conditions set out in this Offer Document and to have declared that the beneficial owner(s) accepting the Repurchase Offer are the Qualifying Shareholder(s). Save as and except for the Registered Qualifying Shareholders who act as a nominee holding Shares on behalf of more than one beneficial owner, Qualifying Shareholders cannot accept the Repurchase Offer for part of their Shares only.

24 September 2012

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EXPECTED TIMETABLE

The timetable set out below is indicative only and may be subject to change. Any changes to the timetable will be announced by the Company. Unless otherwise specified, all times and dates in this Offer Document and the Form of Acceptance refer to Hong Kong local times and dates.

Despatch of this Offer Document and the Form of Acceptance Monday,
24 September 2012

Offer Period begins Monday,
24 September 2012

Announcement as reminder of the Latest Acceptance Time Monday,
15 October 2012

Latest Acceptance Time (*Notes 1 and 3*) 4:00 p.m. on Monday,
29 October 2012

Closing date of the Repurchase Offer Monday,
29 October 2012

Announcement of the result of the Repurchase Offer 7:00 p.m. on Monday,
29 October 2012

Latest date for despatch of cheques (*Notes 2 and 3*) Tuesday,
6 November 2012

Notes:

1. The Repurchase Offer will remain open for acceptance for a period of 35 days upon the commencement of the Offer Period. At the direction of the SFC and the Administrators, the Company will extend the Offer Period for 28 days, i.e. until 4:00 p.m. on Monday, 26 November 2012, in the event that the level of acceptance of the Repurchase Offer is less than 50% as at 4:00 p.m. on Monday, 29 October 2012. The Company will state in its announcement on 15 October 2012 as to whether the level of acceptance has exceeded 50%. The Company will also state in its announcement on 29 October 2012 as to whether the Offer Period is extended in addition to the result of the Repurchase Offer.
2. Remittance for the amount due under the Repurchase Offer in respect of valid acceptance will be made by the Administrators within 7 business days from the date of receipt of the duly completed Form of Acceptance accompanied by the Title Document(s) in accordance with the instructions in this Offer Document and printed on the Form of Acceptance. If the Repurchase Offer is extended as mentioned in note 1 above, the latest date for despatch of cheques to the Registered Qualifying Shareholders who have duly accepted the Repurchase Offer will be extended accordingly.
3. If a typhoon signal no.8 or above or a black rainstorm warning is hoisted or remains hoisted in Hong Kong at any local time:
 - (a) before 12:00 noon but no longer in force after 12:00 noon on the latest date for acceptance of the Repurchase Offer and the latest date for despatch of cheques for the amounts due under the Repurchase Offer in respect of valid acceptances, the latest time for acceptance of the Repurchase Offer and the despatch of cheques will remain at 4:00 p.m. on the same business day; or
 - (b) between 12:00 noon and 4:00 p.m. on the latest date for acceptance of the Repurchase Offer and the latest date for despatch of cheques for the amounts due under the Repurchase Offer in respect of valid acceptances, the latest time for acceptance of the Repurchase Offer and the despatch of cheques will be postponed to 4:00 p.m. on the following business day.

IMPORTANT NOTICE

The Repurchase Offer is made to the Qualifying Shareholders only. The Repurchase Offer is/will not be made to any of the Excluded Shareholders or any transferees or assignees who acquired the Shares after the date of the Court Order, i.e. 20 June 2012, unless they are the Qualifying Shareholders.

IMPORTANT NOTICE to Non-Registered Qualifying Shareholders and their nominees:

If you are a Qualifying Shareholder with your Shares held in the name of a nominee (including but not limited to HKSCC Nominees) or a name other than your own, you will only receive this Offer Document. The relevant Form(s) of Acceptance is/are despatched to your nominee(s) who hold(s) your Shares on your behalf. You should at once contact your securities dealer(s), broker(s), custodian bank(s), nominee(s) or trustee(s) and take the applicable course of action promptly so as to allow your securities dealer(s), broker(s), custodian bank(s), nominee(s) or trustee(s) sufficient time to complete the acceptance procedure on your behalf by the Latest Acceptance Time. It is essential for you, as a beneficial owner of the Repurchase Shares, with your Shares registered in the name(s) of nominee(s) to provide instructions to your nominee(s) of your intention with regard to the Repurchase Offer as soon as possible. You should read the paragraph headed "Nominee holdings" in the Appendix to this Offer Document carefully in relation to the action you must take to accept the Repurchase Offer. Non-Registered Qualifying Shareholders who want to accept the Repurchase Offer in their own name instead of through their nominees should contact their securities dealer(s), broker(s), custodian bank(s), nominee(s) or trustee(s) to arrange for the Repurchase Share(s) to be registered in their own name through the Registrar as soon as possible so that they are eligible to accept the Repurchase Offer in their own name before the Latest Acceptance Time.

To ensure equality of treatment of all Qualifying Shareholders, those Registered Qualifying Shareholders who hold the Repurchase Shares as nominees for more than one beneficial owner (i.e. the Non-Registered Qualifying Shareholders) should, as far as practicable, treat the holding of each Non-Registered Qualifying Shareholder separately and give sufficient notification, guidance and assistance to the Non-Registered Qualifying Shareholders with regard to the Repurchase Offer so that their intention with regard to the Repurchase Offer can be processed as soon as possible and the Registered Qualifying Shareholders as nominees can take appropriate action on behalf of the Non-Registered Qualifying Shareholders by the Latest Acceptance Time.

IMPORTANT NOTICE to Overseas Qualifying Shareholders:

If you are an Overseas Qualifying Shareholder, you are reminded that the making and implementation of the Repurchase Offer to you may be subject to restrictions and/or compliance requirements under any applicable securities legislation of your jurisdiction and the requirements of any competent regulatory body and/or the laws of the relevant jurisdictions in which you are located or domicile. You should inform yourself about and observe any applicable legal and/or regulatory requirements. You are recommended to consult independent professional advisers on any restrictions and/or compliance requirements to which you are/may be subject in relation to the Shares Repurchase and the Repurchase Offer. You should read the paragraph headed "Overseas Status of the Qualifying Shareholders" in the Appendix to this Offer Document carefully.

DEFINITIONS

In this Offer Document, the following expressions shall have the meanings stated below unless the context otherwise requires:

“Accepting Shareholder(s)”	Qualifying Shareholder(s) who accept(s) the Repurchase Offer
“Action”	the High Court Miscellaneous Proceedings No. 630 of 2010 commenced by the SFC against the Company and the Relevant Subsidiaries on 30 March 2010
“Administrators”	the joint and several administrators of the Company appointed under the Court Order, namely, Mr. Stephen Liu Yiu Keung, Mr. David Yen Ching Wai and Ms. Koo Chi Sum, all of Ernst & Young (Hong Kong), who are responsible for the administration of the Shares Repurchase and make the Repurchase Offer to the Qualifying Shareholders on behalf of the Company
“Announcements”	the announcements of the Company dated 21 April 2010, 30 August 2010 and 28 June 2012, respectively, in relation to, amongst other things, the Action, the announcement of the Company dated 27 July 2012 in relation to, amongst other things, the despatch of the Circular and the notice of the EGM, as well as the announcement of the Company dated 20 August 2012 in relation to the poll result of the EGM and the appointment of the Administrators
“Articles of Association”	the memorandum and articles of association of the Company
“Board”	the board of Directors
“business day”	any days on which banks in Hong Kong are generally open for business, excluding Saturdays, Sundays, Hong Kong public holidays and any days on which a typhoon signal no.8 or above or a black rainstorm warning signal is hoisted or remains hoisted in Hong Kong at any times between 9:00 a.m. to 5:00 p.m.
“BVI”	the British Virgin Islands
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC

DEFINITIONS

“Circular”	the circular of the Company dated 27 July 2012 in relation to the Shares Repurchase, which gives certain information regarding the Repurchase Offer
“Company”	Hontex International Holdings Company Limited (洪良國際控股有限公司), a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the Stock Exchange (Stock Code: 946)
“Court”	the Court of First Instance of Hong Kong
“Court Order”	the court order made by the Court on 20 June 2012 in respect of the Action, full text of which was set out in Appendix II to the Circular
“Director(s)”	the director(s) of the Company, including the independent non-executive director(s)
“Easy Venture”	Easy Venture International Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company
“EGM”	the extraordinary general meeting of the Company convened and held at 9:00 a.m. on Monday, 20 August 2012, at Grand Ballroom, 1/F., Harbour Grand Kowloon, 20 Tak Fung Street, Whampoa Garden, Hungghom, Kowloon, Hong Kong at which the Independent Shareholders have duly approved the Shares Repurchase and passed the relevant resolution
“Excluded Shareholders”	the “Controlling Shareholders” as defined in the Court Order, namely, More Will, Joyous King, Sunny Beauty, Speedy Grand, Forever Art, Head Pearl, Mr. Shao Ten-Po, Mr. Hsu Chieh-Jung, Mr. Tseng Chung-Cheng, Mr. Liao Chin-Yi and Ms. Hu Chin-Shu
“First Heritage”	First Heritage Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company

DEFINITIONS

“Forever Art”	Forever Art Holdings Limited, a company incorporated under the laws of the BVI with limited liability and wholly-owned by Ms. Hu Chin-Shu, being a Shareholder holding approximately 1.56% shareholding in the Company as at the Latest Practicable Date
“Form(s) of Acceptance”	the form(s) of acceptance and transfer of Shares for use by the Registered Qualifying Shareholders for accepting the Repurchase Offer for themselves and/or on behalf of the Non-Registered Qualifying Shareholders
“Group”	the Company and its subsidiaries
“Guiding Session(s)”	the 30 guiding sessions to be jointly organized by the Company and the Administrators for the Registered Qualifying Shareholders to attend so as to give guidance to them on how to participate in the Repurchase Offer, details of which are set out in the separate notice despatched to the Registered Qualifying Shareholders accompanying this Offer Document
“Head Pearl”	Head Pearl International Limited, a company incorporated under the laws of the BVI with limited liability and owned as to 53.53%, 26.43%, 11.44% and 8.60% by Mr. Shao Ten-Po, Mr. Hsu Chieh-Jung, Mr. Liao Chin-Yi and Mr. Tseng Chung-Cheng, respectively, holding approximately 42.89% shareholding in the Company and a substantial shareholder of the Company as at the Latest Practicable Date
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“HKSCC”	Hong Kong Securities Clearing Company Limited
“HKSCC Nominees”	HKSCC Nominees Limited, a wholly-owned subsidiary of HKSCC, which is a wholly-owned subsidiary of Hong Kong Exchanges and Clearing Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

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“Independent Shareholders”	Shareholders other than the Excluded Shareholders whose names appear on the Register of Members or whose Shares are held in the name of CCASS/HKSCC Nominees as at 4:30 p.m. on 17 August 2012, who were eligible to attend and vote at the EGM, or for whom CCASS/HKSCC Nominees was eligible to attend and vote at the EGM
“Joyous King”	Joyous King Holdings Limited, a company incorporated under the laws of the BVI with limited liability and wholly-owned by Mr. Hsu Chieh-Jung, being a Shareholder holding approximately 8.07% shareholding in the Company as at the Latest Practicable Date
“Latest Acceptance Time”	the latest time for receipt by the Registrar of the Forms of Acceptance submitted by the Registered Qualifying Shareholders for their own Shares or on behalf of the Non-Registered Qualifying Shareholders, being 4:00 p.m. on Monday, 29 October 2012, or in the event that the Offer Period is extended at the direction of the SFC and the Administrators, 4:00 p.m. on 26 November 2012 and in such case the Company will make announcement on 29 October 2012
“Latest Practicable Date”	21 September 2012, being the latest practicable date prior to the printing of this Offer Document for ascertaining information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended or supplemented from time to time
“More Will”	More Will Investments Limited, a company incorporated under the laws of the BVI with limited liability and wholly-owned by Mr. Shao Ten-Po, holding approximately 16.35% shareholding in the Company and a substantial shareholder of the Company as at the Latest Practicable Date
“Non-Registered Qualifying Shareholder(s)”	Qualifying Shareholder(s) whose Shares are held in the name of a nominee (including but not limited to HKSCC Nominees) or a name other than his/her/its own

DEFINITIONS

“Offer Document”	this offer document giving details in relation to the Repurchase Offer in addition to the Circular and the Form of Acceptance
“Offer Period”	the period for acceptance of the Repurchase Offer, commencing from 24 September 2012 to 4:00 p.m. on 29 October 2012, both days inclusive, and at the direction of SFC and the Administrators, the period may be extended for 28 days up until 4.00 p.m. on 26 November 2012 in the event that the level of acceptance of the Repurchase Offer is less than 50% as at 4.00 p.m. on 29 October 2012
“Offer Price”	HK\$2.06, being the offer price per Repurchase Share
“Overseas Qualifying Shareholder(s)”	Qualifying Shareholder(s) situated or domiciled in jurisdictions other than in Hong Kong
“PRC”	The People’s Republic of China which, for the purpose of this Offer Document, excludes Hong Kong and the Macau Special Administrative Region of the PRC and Taiwan
“Prosper Advance”	Prosper Advance International Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company
“Qualifying Shareholder(s)”	the “Public Shareholders” as defined in the Court Order, being the Shareholders other than the Excluded Shareholders, who was/were Shareholder(s) as at 4:30 p.m. on 20 June 2012 and remain(s) as Shareholder(s) as at the date hereof and eligible to participate in the Repurchase Offer
“Register of Members”	the register of members of the Company
“Registered Qualifying Shareholder(s)”	Qualifying Shareholder(s) whose Shares are held under his/her/its own name(s) on the Register of Members
“Registrar”	the Company’s branch share registrar in Hong Kong, namely, Tricor Investor Services Limited at 26/F., Tesbury Centre, 28 Queen’s Road East, Wanchai, Hong Kong
“Relevant Subsidiaries”	Easy Venture, First Heritage, Prosper Advance, Star Guide

DEFINITIONS

“REORIENT”	REORIENT Financial Markets Limited, a licensed corporation to carry on types 1, 4, 6, 7 and 9 regulated activities under the SFO and the existing financial adviser to the Company
“Repurchase Offer”	the offer to be made by the Administrators on behalf of the Company to the Qualifying Shareholders for repurchase of each Repurchase Share at the Offer Price
“Repurchase Share(s)”	the Share(s) to be repurchased by the Company other than those held by the Excluded Shareholders on the date of the Court Order pursuant to the Shares Repurchase
“SDO”	Stamp Duty Ordinance (Chapter 117, Laws of Hong Kong)
“SFC”	The Securities and Futures Commission of Hong Kong
“SFO”	Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong)
“Shareholder(s)”	holder(s) of the Shares
“Share(s)”	ordinary share(s) of a nominal value of HK\$0.10 each in the share capital of the Company, all of which are listed on the Stock Exchange
“Shares Repurchase”	the repurchase of the Repurchase Shares (i.e. up to 500,000,000 Shares or 25% of the issued share capital of the Company in maximum as at the Latest Practicable Date) at the Offer Price by the Administrators on behalf of the Company from the Qualifying Shareholders
“Speedy Grand”	Speedy Grand Limited, a company incorporated under the laws of the BVI with limited liability and wholly-owned by Mr. Liao Chin-Yi, being a Shareholder holding approximately 3.50% shareholding in the Company as at the Latest Practicable Date
“Star Guide”	Star Guide Investments Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

DEFINITIONS

“substantial shareholder”	has the same meaning as ascribed to this term under the Listing Rules
“Sunny Beauty”	Sunny Beauty Limited, a company incorporated under the laws of the BVI with limited liability and wholly-owned by Mr. Tseng Chung-Cheng, being a Shareholder holding approximately 2.63% shareholding in the Company as at the Latest Practicable Date
“Takeovers and Repurchase Code”	Hong Kong Code on Takeovers and Mergers and Hong Kong Code on Share Repurchases
“Title Document(s)”	the relevant Share certificate(s) and/or transfer receipt(s) and/or any document(s) of title with respect to the ownership of the Repurchase Share(s) (and/or, subject to the sole discretion of the Company whether to accept or not, any satisfactory indemnity or indemnities required in respect thereof)
“%”	per cent.



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)

Chairman and executive Director:

Mr. Shao Ten-Po

Executive Directors:

Mr. Tseng Chung-Cheng

Mr. Liao Chin-Yi

Ms. Liao Min-Chiang

Non-executive Director:

Ms. Wang Shih-Ting

Independent non-executive Directors:

Mr. Lu Chien-An

Mr. Chang Chuan-Fang

Mr. Chen Fang-Kun

Registered office in Cayman Islands:

Cricket Square

Hutchins Drive

P.O. Box 2681

Grand Cayman KY1-1111

Cayman Islands

Headquarters and principal

place of business in the PRC:

Hongkuan Industrial Village

Yangxia Town

Fuqing Fujian

PRC

Principal place of business in Hong Kong:

Units 07-08

9/F., Metro Centre 1

32 Lam Hing Street

Kowloon Bay, Kowloon

Hong Kong

24 September 2012

To the Shareholders

Dear Sir or Madam,

**REPURCHASE OFFER IN CASH BY THE ADMINISTRATORS
ON BEHALF OF
HONTEX INTERNATIONAL HOLDINGS COMPANY LIMITED TO
REPURCHASE UP TO 500,000,000 SHARES
AT THE OFFER PRICE OF HK\$2.06 PER SHARE**

BACKGROUND

References are made to the Announcements and the Circular in relation to the Action, the Shares Repurchase and/or the poll result of the EGM.

LETTER FROM THE BOARD AND THE ADMINISTRATORS

On 20 August 2012, the Company convened the EGM, during which the resolution on the Shares Repurchase was duly passed by the Independent Shareholders. Accordingly, the appointment of the Administrators has become effective and the Company can now proceed with the Shares Repurchase.

As stated in the Circular, the Repurchase Offer will be made to the Qualifying Shareholders for repurchase of up to 500,000,000 Repurchase Shares, representing 25% of the total issued share capital of the Company in maximum, by the Company at the Offer Price of HK\$2.06 for each Repurchase Share.

The purpose of this Offer Document is to provide you with, amongst other things, further details of the Repurchase Offer in addition to the Circular and the Form of Acceptance (the Form(s) of Acceptance is/are despatched to the Registered Qualifying Shareholder(s) only).

WARNINGS

The Repurchase Offer is made to the Qualifying Shareholders only. The Repurchase Offer is/will not be made to any of the Excluded Shareholders or any transferees or assignees who acquired the Shares after the date of the Court Order (i.e. 20 June 2012) unless they are the Qualifying Shareholders. For the avoidance of doubt, the Qualifying Shareholders who have subsequently transferred/deposited their Shares with CCASS/HKSCC Nominees after the date of the Court Order will still be entitled to participate in the Repurchase Offer.

Non-Registered Qualifying Shareholders are advised to contact their securities dealers, brokers, custodian banks, nominees or trustees as soon as possible to notify their intention and mode of acceptance of the Repurchase Offer so as to ensure that their nominees have sufficient time to process their intention with regard to the Repurchase Offer and take appropriate actions on their behalf by the Latest Acceptance Time.

Non-Registered Qualifying Shareholders who want to accept the Repurchase Offer in their own name instead of through their nominees should contact their securities dealers, brokers, custodian banks, nominees or trustees to arrange for the Repurchase Share(s) to be registered in their own name through the Registrar as soon as possible so that they are eligible to accept the Repurchase Offer in their own name before the Latest Acceptance Time.

As at the Latest Practicable Date, trading in the Shares remained 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.

Those Qualifying Shareholders who decide to retain their investments in the Shares are reminded of the potential difficulties which they may encounter in disposing of their investments in the Shares after the close of the Repurchase Offer. Qualifying Shareholders are recommended to seek independent professional advice should they have any doubts in relation to the Shares Repurchase and the Repurchase Offer.

LETTER FROM THE BOARD AND THE ADMINISTRATORS

Shareholders should be aware and reminded that, if the Company eventually loses its listing status, any protection under the Listing Rules as well as the Takeovers and Repurchase Code may not be available to the Shareholders. Investors and/or Shareholders who trade Shares prior to the completion of the Shares Repurchase do so entirely at their own risk.

THE SHARES REPURCHASE AND THE REPURCHASE OFFER

Further terms and procedures for acceptance of the Repurchase Offer are set out in the Appendix hereto. Qualifying Shareholders should read this Offer Document in conjunction with the Circular, which was published and despatched by the Company on 27 July 2012, carefully for details of the Shares Repurchase and the Repurchase Offer.

Unless otherwise stated in this Offer Document, the information contained in the Circular in relation to the Repurchase Offer remained unchanged as at the Latest Practicable Date. In particular, since the date of the Circular and up to the Latest Practicable Date, no Shares were allotted and issued by the Company; the Company had no convertible securities, options, derivatives or warrants outstanding and had not entered into any agreement for the issue of any convertible securities, options, derivatives or warrants; the Company's dealings in the Shares remained the same as stated in the Circular. The confirmations made by Mr. Shao Ten-Po, Mr. Tseng Chung-Cheng, Mr. Liao Chin-Yi, More Will, Sunny Beauty, Speedy Grand and Head Pearl in the Circular remained valid since then and up to the Latest Practicable Date. As at the Latest Practicable Date, the Company was not aware of any circumstances which would change the financial position of the Company as stated in the Circular. Save and except for the Action and any proceedings in relation thereto, as at the Latest Practicable Date, the Directors were not aware of material litigation initiated against the Company and its subsidiaries.

The Offer Price is HK\$2.06 (exclusive of any stamp duty payable by the Accepting Shareholders) in cash for each Repurchase Share held by the Qualifying Shareholders. All brokerage, commissions and dealing charges in relation to all Shares repurchased by the Company are payable by the relevant Accepting Shareholder. It is expected that the Qualifying Shareholders, depending on whether they hold the

LETTER FROM THE BOARD AND THE ADMINISTRATORS

Repurchase Shares in their own name or through nominees, will receive the following consideration for selling one board lot of 1,000 Repurchase Shares to the Company:

1. Registered Qualifying Shareholders with their names registered on the Register of Members:

Offer Price of HK\$2.06 per each Repurchase Share	HK\$2,060.00
Less: Stamp duty on contract note (<i>Note (i)</i>)	HK\$3.00
Stamp duty on instrument of transfer (<i>Note (ii)</i>)	HK\$2.50
<hr/>	
Actual amount receivable by the Registered Qualifying Shareholders for selling one board lot of 1,000 Repurchase Shares	HK\$2,054.50

Notes:

- (i) All the Shares repurchased by the Company will be subject to the seller's ad valorem stamp duty payable by the Accepting Shareholders, calculated at the rate of HK\$1.00 for every HK\$1,000 or part thereof of the market value of the Shares to be repurchased under the Repurchase Offer or the consideration payable by the Company in respect of relevant acceptance of the Repurchase Offer, whichever is the higher, which will be deducted by the Company from the amount payable to the Accepting Shareholders. The Company will arrange for payment of the seller's ad valorem stamp duty on behalf of the Accepting Shareholders to the Stamp Duty Office in accordance with the SDO.

- (ii) In addition to the seller's ad valorem stamp duty as mentioned in note (i) above, in respect of each transfer of the Shares from the Accepting Shareholders (save and except for those Accepting Shareholders whose Shares are held in the name of CCASS/HKSCC Nominees) to the Company, a fixed duty of HK\$5 on instrument of transfer payable to the Stamp Duty Office, irrespective of the number of the Shares and the consideration for such transfer, will be payable by the Accepting Shareholders and the Company in equal portion, which will be deducted by the Company from the amount payable to the Accepting Shareholders.

2. Non-Registered Qualifying Shareholders with their Shares registered in the name of HKSCC Nominees or in the name of securities dealer(s), broker(s), custodian bank(s), nominee(s) or trustee(s):

Apart from the payment of stamp duty, Non-Registered Qualifying Shareholders who accept the Repurchase Offer will need to pay fees charged by CCASS/HKSCC Nominees and/or any handling and administrative fees charged by their securities dealer(s), broker(s), custodian bank(s), nominee(s) or trustee(s). Non-Registered Qualifying Shareholders should consult CCASS/HKSCC Nominees and/or their own securities dealer(s), broker(s), custodian bank(s), nominee(s) or trustee(s) (as the case may be) with respect to the fees payable for processing their instructions in connection with the Repurchase Offer.

To accept the Repurchase Offer, Registered Qualifying Shareholders must complete and return the Form of Acceptance accompanied by the Title Document(s) in accordance with the instructions in this Offer Document and printed on the Form of Acceptance not later than the Latest Acceptance Time. Non-Registered Qualifying Shareholders are reminded to contact and notify their securities dealer(s), broker(s), custodian bank(s), nominee(s) or trustee(s) as to their intention to accept the Repurchase Offer as soon as

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possible so that their securities dealer(s), broker(s), custodian bank(s), nominee(s) or trustee(s) could accept the Repurchase Offer on behalf of the Non-Registered Qualifying Shareholders by the Latest Acceptance Time. Non-Registered Qualifying Shareholders who want to accept the Repurchase Offer in their own name instead of through their nominees should contact their securities dealer(s), broker(s), custodian bank(s), nominee(s) or trustee(s) to arrange for the Repurchase Share(s) to be registered in their own name through the Registrar as soon as possible so that they are eligible to accept the Repurchase Offer in their own name before the Latest Acceptance Time.

The Repurchase Offer will remain open for acceptance for a period of 35 days upon commencement of the Offer Period. At the direction of the SFC and the Administrators, the Company will extend the Offer Period for 28 days, i.e. until 4:00 p.m. on 26 November 2012, in the event that the level of acceptance of the Repurchase Offer is less than 50% as at 4:00 p.m. on 29 October 2012. The Company will state in its announcement on 15 October 2012 as to whether the level of acceptance has exceeded 50%. The Company will also state in its announcement on 29 October 2012 as to whether the Offer Period is extended in addition to the result of the Repurchase Offer. The Repurchase Offer will not be extended if the level of acceptance of the Repurchase Offer exceeds 50% by the Latest Acceptance Time.

The Company reserves the absolute rights to reject any or all acceptances which the Company and the Administrators jointly determine not to be in proper form or the acceptance or payment therefor which may, in the opinions of the Company and the Administrators, be unlawful. An acceptance may be rejected as invalid unless all defects or irregularities have been cured or waived within a reasonable time. None of the Company, the Administrators, the Registrar or any other persons is or will be obliged to give notice of any defects or irregularities in acceptances and none of them will incur any liability for failure to give such notice. Any determination made by the Company and/or the Administrators as to whether the acceptance of the Repurchase Offer is valid shall be final and binding on all of the parties concerned (except as otherwise required under the applicable laws).

WARNINGS

Qualifying Shareholders are reminded that once the Form of Acceptance is completed and returned, their acceptance of the Repurchase Offer will become irrevocable and cannot be withdrawn. Registered Qualifying Shareholders who hold the Repurchase Shares as nominees on behalf of the beneficial owners of the Repurchase Shares (i.e. the Non-Registered Qualifying Shareholders), are reminded to conduct verification and obtain confirmation from each of the Non-Registered Qualifying Shareholders so as to ensure that they are Qualifying Shareholders and that they have accepted the Repurchase Offer in full before submitting the Form of Acceptance together with the Title Document(s) on their behalf.

Shareholders should be aware and reminded that, if the Company eventually loses its listing status, any protection under the Listing Rules as well as the Takeovers and Repurchase Code may not be available to the Shareholders. Investors and/or Shareholders who trade Shares prior to the completion of the Shares Repurchase do so entirely at their own risk.

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Those Qualifying Shareholders who decide to retain their investments in the Shares are reminded of the potential difficulties which they may encounter in disposing of their investments in the Shares after the close of the Repurchase Offer. Qualifying Shareholders are recommended to seek independent professional advice should they have any doubts in relation to the Shares Repurchase and the Repurchase Offer.

ODD LOTS ARRANGEMENTS

The Shares are currently traded in board lots of 1,000 Shares each. Such board lot size will not be changed by the implementation of the Repurchase Offer. Taking into account the facts that there were no odd lots on the Register of Members as at the Latest Practicable Date and Qualifying Shareholders can only either accept or not accept the Repurchase Offer to sell all the Shares they hold, it is expected that there will be no odd lots of the Shares as a result of the Repurchase Offer.

LISTING STATUS OF THE COMPANY

Trading in the Shares was suspended at the direction of the SFC at 9:30 a.m. on 30 March 2010. As at the Latest Practicable Date, trading in the Shares remained 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.

The Company has focused its resources to progress the Repurchase Offer as required by the Court Order. The Board intends to submit a proposal to resume trading of the Shares. Trading can only resume if approvals are obtained from both the Stock Exchange and the SFC for resumption of trading, which may not be granted. The Board has appointed REORIENT as financial adviser to the Company with a view to assisting the Company in submitting a proposal to resume trading of the Shares at an appropriate time. The Company intends to communicate in due course with the Stock Exchange and the SFC in this regard.

Shareholders should be aware and reminded that, if the Company eventually loses its listing status, any protection under the Listing Rules as well as the Takeovers and Repurchase Code may not be available to the Shareholders. Investors and/or Shareholders who trade Shares prior to the completion of the Shares Repurchase do so entirely at their own risk.

LISTING RULES IMPLICATIONS

The Shares Repurchase and the Repurchase Offer are made pursuant to the Court Order and accordingly, they are not subject to the requirements under Rule 10.06(1) to (4) of the Listing Rules.

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If any of the Qualifying Shareholders accept the Repurchase Offer, there will be less than 25% of the Company's issued Shares in the hands of the public. As a result, the Company will not be able to comply with the minimum public float requirement under Rule 8.08 of the Listing Rules.

TAKEOVERS AND REPURCHASE CODE IMPLICATIONS

The Shares Repurchase is an exempt shares repurchase and therefore the Shares Repurchase and the Repurchase Offer are not subject to the Takeovers and Repurchase Code.

As at the Latest Practicable Date, Mr. Shao Ten-Po was deemed to be interested in approximately 59.24% shareholding in the Company through his interests in Head Pearl and More Will, which held approximately 42.89% and 16.35% shareholdings in the Company respectively. Accordingly, no mandatory offer obligation would arise upon completion of the Repurchase Offer.

FURTHER ANNOUNCEMENT

On the closing date of the Repurchase Offer (i.e. 29 October 2012), the Company will, by 7:00 p.m., issue an announcement on the websites of the Company and the Stock Exchange as to whether the SFC and the Administrators have directed the Company to extend the Offer Period. The announcement will specify the total number of Shares that have been duly accepted for repurchase under the Repurchase Offer and shall also set out the result of the Repurchase Offer. In calculating the total number of the Shares represented by the duly completed and returned Forms of Acceptance, acceptances which are not in all respects in order or are subject to verification will be stated separately.

INDEPENDENT PROFESSIONAL ADVICE

Qualifying Shareholders are reminded that in making their decision whether to accept the Repurchase Offer or retain their investments in the Shares, the Qualifying Shareholders must rely on their own examination of the terms and conditions of the Repurchase Offer and the prospects of the Group, including the merits and risks involved. The contents of the Circular and this Offer Document, including any general advice or recommendation herein together with the Form of Acceptance shall not be construed as any legal or business advice on the part of the Company, the Administrators or their respective professional advisers. Qualifying Shareholders should seek independent professional advice in case of any doubt.

RESPONSIBILITY STATEMENT

This Offer Document includes particulars with regard to the Repurchase Offer. The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this Offer Document and confirm, having made all reasonable enquiries, that to the best of their knowledge opinions expressed in this Offer Document have been arrived at after due and careful consideration and there are no other facts not contained in this Offer Document the omission of which would make any statement herein misleading.

LETTER FROM THE BOARD AND THE ADMINISTRATORS

ADDITIONAL INFORMATION

Your attention is also drawn to the Appendix to this Offer Document which sets out further terms and procedures for acceptance of the Repurchase Offer.

The English version of this Offer Document and the Form of Acceptance shall prevail over the Chinese version in case of any inconsistency.

DOCUMENTS ON DISPLAY

A copy of the Articles of Association (English version only) is available on the websites of the Stock Exchange and the Company whilst copies of the service contracts (Chinese version only) entered into between the Company and the executive Directors are available on the Company's website from the date of this Offer Document up to and including the Latest Acceptance Time.

WARNINGS

The Repurchase Offer is made to the Qualifying Shareholders only. The Repurchase Offer is/will not be made to any of the Excluded Shareholders or any transferees or assignees who acquired the Shares after the date of the Court Order (i.e. 20 June 2012) unless they are the Qualifying Shareholders. For the avoidance of doubt, the Qualifying Shareholders who have subsequently transferred/deposited their Shares with CCASS/HKSCC Nominees after the date of the Court Order will still be entitled to participate in the Repurchase Offer.

Non-Registered Qualifying Shareholders are advised to contact their securities dealer(s), broker(s), custodian bank(s), nominee(s) or trustee(s) as soon as possible to notify their intention and mode of acceptance of the Repurchase Offer so as to ensure that their nominees have sufficient time to process their intention with regard to the Repurchase Offer and take appropriate actions on their behalf by the Latest Acceptance Time.

Non-Registered Qualifying Shareholders who want to accept the Repurchase Offer(s) in their own name instead of through their nominees should contact their securities dealer(s), broker(s), custodian bank(s), nominee(s) or trustee(s) to arrange for the Repurchase Share(s) to be registered in their own name through the Registrar as soon as possible so that they are eligible to accept the Repurchase Offer in their own name before the Latest Acceptance Time.

Qualifying Shareholders are reminded that once the Form of Acceptance is completed and returned, their acceptance of the Repurchase Offer will become irrevocable and cannot be withdrawn. Registered Qualifying Shareholders who hold the Repurchase Shares as nominees on behalf of the beneficial owners of the Repurchase Shares (i.e. the Non-Registered Qualifying Shareholders), are reminded to conduct verification and obtain confirmation from each of the Non-Registered Qualifying Shareholders so as to ensure that they are Qualifying Shareholders and that they have accepted the Repurchase Offer in full before submitting the Form of Acceptance together with the Title Document(s) on their behalf.

LETTER FROM THE BOARD AND THE ADMINISTRATORS

As at the Latest Practicable Date, trading in the Shares remained 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.

Those Qualifying Shareholders who decide to retain their investments in the Shares are reminded of the potential difficulties which they may encounter in disposing of their investments in the Shares after the close of the Repurchase Offer. Qualifying Shareholders are recommended to seek independent professional advice should they have any doubts in relation to the Shares Repurchase and the Repurchase Offer.

Shareholders should be aware and reminded that, if the Company eventually loses its listing status, any protection under the Listing Rules as well as the Takeovers and Repurchase Code may not be available to the Shareholders. Investors and/or Shareholders who trade Shares prior to the completion of the Shares Repurchase do so entirely at their own risk.

Yours faithfully,
For and on behalf of
**Hontex International Holdings
Company Limited**
Shao Ten-Po
Chairman

Yours faithfully,
Stephen Liu Yiu Keung
David Yen Ching Wai
Koo Chi Sum
Joint and Several Administrators
Hontex International Holdings
Company Limited

The Administrators are making the Repurchase Offer to the Qualifying Shareholders on behalf of the Company to repurchase the Repurchase Shares, on the terms and conditions set out in the Circular, this Offer Document and the Form of Acceptance. Further terms and procedures for acceptance of the Repurchase Offer are set out below.

TERMS AND CONDITIONS OF THE REPURCHASE OFFER

The Repurchase Offer

The Repurchase Offer is made to the Qualifying Shareholders for repurchase of up to 500,000,000 Repurchase Shares (i.e. representing 25% of the total issued share capital of the Company as at the Latest Practicable Date) at the Offer Price of HK\$2.06 (exclusive of any stamp duty, brokerage, commissions and dealing charges payable by the Accepting Shareholders) per Repurchase Share by the Company.

The Repurchase Offer is not conditional upon any minimum number of Repurchase Shares tendered for acceptance.

Conditions of accepting the Repurchase Offer

Upon satisfaction of all the following conditions, it will constitute a valid acceptance of the Repurchase Offer:

- (i) representation and warranty by the Shareholder accepting the Repurchase Offer that he/she/it is a Qualifying Shareholder (and upon the request of the Company and/or the Administrators, provide supporting documents and evidence to the satisfaction of the Company and the Administrators proving that he/she/it is a Qualifying Shareholder);
- (ii) the Accepting Shareholder has to accept the Repurchase Offer in full and cannot accept the Repurchase Offer for part of their Shares only, and for the avoidance of doubt, any nominee (including but not limited to CCASS/HKSCC Nominees) holding the Repurchase Shares on behalf of more than one beneficial owner may accept the Repurchase Offer with respect to a lesser number of the Shares registered in his/her/its name on the Register of Members or in the record of CCASS, provided that he/she/it shall represent and warrant to the Company, CCASS, the Registrar and the Administrators that the acceptance that he/she/it is making on behalf of the Non-Registered Qualifying Shareholder relates to all the Shares held by such Non-Registered Qualifying Shareholder under his/her/its name;
- (iii) the Shares to be sold by the Accepting Shareholder to the Company shall be free and clear of any encumbrances and together with all rights attaching to such Repurchase Shares; and

- (iv) the Registered Qualifying Shareholder duly completes and returns (or if he/she/it is a Non-Registered Qualifying Shareholder, instructs his/her/its nominee who is a Registered Qualifying Shareholder to duly complete and return) the Form of Acceptance accompanied by the Title Document(s) which are to be received by the Registrar by the Latest Acceptance Time.

Acceptance

Save and except for being a nominee (including but not limited to CCASS/HKSCC Nominees) holding Shares on behalf of more than one beneficial owner, Qualifying Shareholders may only accept the Repurchase Offer for their entire holding of their Shares by submitting (or instructing their nominees to submit) to the Registrar a duly completed Form of Acceptance, accompanied by the Title Document(s), not later than the Latest Acceptance Time.

The Form of Acceptance which has been duly completed and received by the Registrar not later than the Latest Acceptance Time will constitute irrevocable acceptance of the Repurchase Offer and cannot be withdrawn. Submission of or instruction to submit a Form of Acceptance in accordance with the instructions herein and printed thereon will be deemed to constitute a representation and warranty from the Accepting Shareholder to the Company and the Administrators that he/she/it has tendered all his/her/its Shares and all such Shares to be sold to the Company under the Repurchase Offer are fully paid, free from all liens, charges, encumbrances, equitable interests, rights of pre-emption or other third party rights of any nature and together with all rights attaching thereto on or after the date of their cancellation (including the right to all dividends and distributions (if any) declared, made or paid on or after the date of their cancellation).

All brokerage, commissions and dealing charges in relation to all Shares repurchased by the Company are payable by the relevant Accepting Shareholder. The stamp duty payable by the Accepting Shareholders, including the seller's ad valorem stamp duty calculated at the rate of HK\$1.00 for every HK\$1,000 or part thereof of the market value of the Shares to be purchased under the Repurchase Offer or the consideration payable by the Company in respect of the relevant acceptance of the Repurchase Offer, whichever is the higher, and the fixed duty of HK\$2.50 on instrument of transfer payable by the Accepting Shareholders in respect of each transfer of the Shares from the Accepting Shareholders (save and except for those Accepting Shareholders whose Shares are held in the name of CCASS/HKSCC Nominees) to the Company, will be deducted by the Company from the amount payable to the Accepting Shareholders. The Company will arrange for payment of the stamp duty on behalf of the Accepting Shareholders to the Stamp Duty Office.

All Repurchase Shares, upon repurchase, will be cancelled according to the Articles of Association and the laws of the Cayman Islands and will not rank for any dividend and distribution (if any) after their cancellation.

Offer and acceptance period

The Repurchase Offer will remain open for acceptance for a period of 35 days, i.e. from 24 September 2012 to 4:00 p.m. on 29 October 2012 (both days inclusive). In the event that the level of acceptance of the Repurchase Offer is less than 50% as at 4:00 p.m. on 29 October 2012, the SFC and the Administrators will direct the Company to extend the Offer Period for 28 days, i.e. until 4:00 p.m. on 26 November 2012. The Company will make announcement on 29 October 2012 if the Repurchase Offer is extended.

Irrevocable acceptance

A Form of Acceptance which has been duly completed and received by the Registrar not later than the Latest Acceptance Time will constitute an irrevocable acceptance of the Repurchase Offer and cannot be withdrawn.

General

The right of acceptance of the Repurchase Offer is personal to the Qualifying Shareholders and is not capable of being assigned or renounced in favour of others or otherwise transferred.

A Form of Acceptance may be rejected or deemed to be invalid if the procedures contained in this Offer Document and in the instructions printed on the Form of Acceptance are not strictly complied with.

The Repurchase Offer and all acceptances of it, the Forms of Acceptance and all contracts made pursuant to the Repurchase Offer, and all action taken or made or deemed to be taken or made pursuant to these terms will be governed by and construed in accordance with the laws of Hong Kong. Delivery of a Form of Acceptance will constitute submission to the non-exclusive jurisdiction of the Hong Kong courts.

All questions as to the number of Shares repurchased or the amount to be paid therefor, and the validity, form, eligibility (including the time of receipt), acceptance or payment of any acceptance will be solely determined by the Company and the Administrators, which determination shall be final and binding on all of the parties concerned (except as otherwise required under the applicable laws). The Company reserves the absolute rights to reject any or all acceptances which the Company and the Administrators jointly determine not to be in proper form or the acceptance or payment therefor which may, in the opinions of the Company and the Administrators, be unlawful. An acceptance may be rejected as invalid unless all defects or irregularities have been cured or waived within a reasonable time. None of the Company, the Administrators, the Registrar or any other persons is or will be obliged to give notice of any defects or irregularities in acceptances and none of them will incur any liability for failure to give any such notice.

All communications, notices, Forms of Acceptance, Title Document(s) and remittances to be delivered or sent by, to or from any Qualifying Shareholder will be delivered or sent by, to or from them, or their designated agents, at their own risk and none of the Company, the Administrators, the Registrar or any of their respective directors or any other persons involved shall accept any liability for any loss or any other liabilities whatsoever which may arise in respect thereof.

Should any Registered Qualifying Shareholder require any assistance in completing the Form of Acceptance or have any enquiries regarding the procedures for tendering and settlement or any other similar aspect of the Repurchase Offer, such Registered Qualifying Shareholder may contact the Registrar at (852) 2980 1333 or the Administrators at (852) 2846 9649/(852) 2846 9851/(852) 2846 9029 or by email at hontex@hk.ey.com during the period from the date of this Offer Document to the Latest Acceptance Time (both days inclusive) between 10:00 a.m. and 5:00 p.m. on each business day. Alternatively, such Registered Qualifying Shareholder may make advance registration for one of the Guiding Sessions to be organized by the Company and the Administrators by telephone appointment. For details of the Guiding Sessions, please refer to the notice despatched to the Registered Qualifying Shareholders together with this Offer Document. Please note that the notice of the Guiding Sessions is despatched to the Registered Qualifying Shareholders only.

The Company reserves its absolute right and sole discretion to waive any defects or irregularities in any Form of Acceptance received by the Registrar.

PROCEDURES FOR ACCEPTANCE AND SETTLEMENT OF THE REPURCHASE OFFER

General procedures for acceptance

Set out below is the general procedures to accept the Repurchase Offer:

- (i) with respect to the Registered Qualifying Shareholders, they should complete and return the accompanying Form of Acceptance in accordance with the instructions set out in this Offer Document and the instructions printed on the Form of Acceptance, together with the Title Document(s) by the Latest Acceptance Time. The instructions set out in this Offer Document should be read together with the instructions printed on the Form of Acceptance (which instructions form part of the terms of the Repurchase Offer);
- (ii) with respect to the Non-Registered Qualifying Shareholders, they should instruct their securities dealer(s), broker(s), custodian bank(s), nominee(s) or trustee(s) to take appropriate actions on their behalf promptly so that their nominees have sufficient time to take appropriate actions with regard to the Repurchase Offer on their behalf by the Latest Acceptance Time;

- (iii) Non-Registered Qualifying Shareholders who want to accept the Repurchase Offer in their own name, rather than through their nominees, should ensure their nominees arrange for the Repurchase Share(s) to be registered in their own name through the Registrar as soon as possible so that they are eligible to accept the Repurchase Offer in their own name before the Latest Acceptance Time. Non-Registered Qualifying Shareholders should read the paragraph headed "Nominee holdings" in this Appendix and the section headed "Important Notice" in this Offer Document carefully.

In order to constitute a valid acceptance, the Form of Acceptance duly completed by a Registered Qualifying Shareholder, together with the Title Document(s) in respect of the entire holding of the Accepting Shareholder, must be delivered by post or by hand to the Registrar, Tricor Investor Services Limited, at 26/F., Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event to reach the Registrar not later than 4:00 p.m. on 29 October 2012, or not later than 4:00 p.m. on 26 November 2012 if the SFC and the Administrators direct the Company to extend the Offer Period.

No Form of Acceptance received after the Latest Acceptance Time will be accepted.

If the Form of Acceptance is executed by a person other than the registered holder, appropriate evidence of authority (e.g. a grant of probate or certified copy of power of attorney) must be delivered to the Registrar with the duly completed Form of Acceptance.

No acknowledgement of receipt of any Form of Acceptance or Title Document(s) will be given.

The Company and/or the Administrators reserves their absolute right and sole discretion to investigate, in relation to any acceptance, whether the representations and warranties set out in this Appendix have been properly given by the relevant Qualifying Shareholder and, if such investigation is made and as a result thereof the Company and the Administrators jointly determine (for any reason) that any such representation and/or warranty has not been properly given, such acceptance may be rejected as invalid.

Nominee holdings

If the Title Document(s) in respect of the Repurchase Shares owned by a Qualifying Shareholder is/are in the name of a nominee or a name other than his/her/its own (i.e. Non-Registered Qualifying Shareholder), that Non-Registered Qualifying Shareholder wishing to accept the Repurchase Offer must either:

- (i) instruct the nominee (including but not limited to CCASS/HKSCC Nominees) to accept the Repurchase Offer on his/her/its behalf and request the nominee to complete and deliver the Form of Acceptance together with the Title Document(s) to the Registrar within such deadline (which may be earlier than the deadline specified under the Repurchase Offer) as may be stipulated by the nominee; or

- (ii) make arrangement with his/her/its nominee for the Repurchase Shares to be registered in his/her/its own name through the Registrar, and send the Form of Acceptance duly completed together with the Title Document(s) to the Registrar by the Latest Acceptance Time; or
- (iii) where his/her/its Repurchase Shares have been maintained with his/her/its licensed securities dealer, broker, custodian bank or nominee through CCASS, instruct his/her/its licensed securities dealer, broker, custodian bank or nominee to authorize CCASS/HKSCC Nominees to accept the Repurchase Offer on his/her/its behalf on or before the deadline set by CCASS/HKSCC Nominees. In order to meet the deadline set by CCASS/HKSCC Nominees, Non-Registered Qualifying Shareholder should check with his/her/its securities dealer, broker, custodian bank or nominee the period of time required to process his/her/its instruction, and submit such instruction to his/her/its securities dealer, broker, custodian bank or nominee as required by them; or
- (iv) if a Non-Registered Qualifying Shareholder's Repurchase Shares has been lodged with his/her/its Investor Participant Account with CCASS, authorize his/her/its instruction via the CCASS Phone System or CCASS Internet System on or before the deadline set by CCASS/HKSCC Nominees.

Non-Registered Qualifying Shareholders whose Shares are held by nominee(s) should ensure that they undertake the above applicable course of action promptly so as to allow their nominee(s) sufficient time to complete the acceptance procedure on their behalf by the Latest Acceptance Time. Non-Registered Qualifying Shareholders are also reminded that their securities dealer(s), broker(s), custodian bank(s), nominee(s) and/or trustee(s) may charge their own fees in addition to the fee chargeable by CCASS/HKSCC Nominees for processing their instructions in connection with the Repurchase Offer.

Furthermore, where an instruction for accepting the Repurchase Offer is given by a CCASS Participant to CCASS/HKSCC Nominees, the CCASS Participant is deemed to have fully complied with the terms and conditions set out in this Offer Document and to have declared that the beneficial owner(s) accepting the Repurchase Offer are the Qualifying Shareholder(s).

Recent transfers by Qualifying Shareholders

If a Qualifying Shareholder has lodged transfer(s) of Shares for registration in his/her/its own name and has not yet received the Share certificate(s) and wishes to accept the Repurchase Offer, he/she/it should nevertheless complete or instruct his/her/its nominee who is a Registered Qualifying Shareholder to complete the Form of Acceptance and deliver it to the Registrar together with the transfer receipt(s) duly executed by him/her/it not later than the Latest Acceptance Time. Such action will be deemed to be an authority to the Company or the Administrators or their agent(s) to collect from the Company or the Registrar on his/her/its behalf the relevant Share

certificate(s) when issued and to deliver such Share certificate(s), subject to the terms of the Repurchase Offer, as it/they was/were delivered to the Registrar with the Form of Acceptance.

Lost or unavailable Share certificates

If the Title Document(s) is/are not readily available and a Qualifying Shareholder wishes to accept the Repurchase Offer, he/she/it should nevertheless complete (or instruct his/her/its nominee who is a Registered Qualifying Shareholder to complete) the Form of Acceptance and deliver (or instruct his/her/its nominee to deliver) the Form of Acceptance to the Registrar so as to reach the Registrar not later than the Latest Acceptance Time and the Title Document(s) should be forwarded to the Registrar as soon as possible thereafter and in any event before the Latest Acceptance Time.

Acceptance of the Repurchase Offer may, at the sole discretion of the Company, be treated as valid even if not accompanied by the Title Document(s) but, in such case, the consideration payable under the Repurchase Offer will not be despatched until the relevant Title Document(s) has/have been received by the Registrar not later than the Latest Acceptance Time.

If a Registered Qualifying Shareholder has lost his/her/its Title Document(s), he/she/it should write to the Registrar and request a letter of indemnity in respect of the lost Title Document(s) (as the case may be) which, when completed in accordance with the instructions given, should be returned, together with the Form of Acceptance and any Title Document(s) which are available, to the Registrar either by post or by hand, so as to arrive not later than the Latest Acceptance Time. In such case, such Registered Qualifying Shareholder will be informed of the fees payable to the Registrar for which he/she/it will be responsible.

Additional Forms of Acceptance

If a Registered Qualifying Shareholder has lost the accompanying Form of Acceptance or such original has become unusable and a replacement is required, he/she/it should write to the Registrar or visit the Registrar at 26/F, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, or the Administrators at 62/F, One Island East, 18 Westlands Road, Island East, Hong Kong, and request an additional Form of Acceptance. Alternatively, the Form of Acceptance can be downloaded from the Stock Exchange's website at www.hkexnews.hk and the Company's website at <http://ir.hontex.cn>.

Settlement

The money for the repurchase of the Repurchase Shares will be paid by the Administrators on behalf of the Company to the Registered Qualifying Shareholder not more than 7 business days upon receipt of a duly completed Form of Acceptance accompanied by the Title Document(s) which were received by the Registrar not later than the Latest Acceptance Time. The Administrators will issue a cheque for the amount representing the consideration due to the relevant Registered Qualifying Shareholder, at the choice of the Registered Qualifying Shareholders indicated in the Form of Acceptance either (1) upon notification by the Administrators or their agent(s), to collect the cheque by the Registered Qualifying Shareholders or by his/her/its authorized representative at the Registrar, Tricor Investor Services Limited's office at 26/F., Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong during the office hours from 9:00 a.m. to 4:30 p.m. within 7 business days from the date on which the duly completed Form of Acceptance accompanied by the Title Document(s) are received by the Registrar which render such acceptance complete and valid; or (2) to be despatched to such Registered Qualifying Shareholder by registered post at his/her/its own risk within 7 business days from the date on which the duly completed Form of Acceptance accompanied by the Title Document(s) are received by the Registrar which render such acceptance complete and valid.

Non-Registered Qualifying Shareholders are reminded to contact their nominees to collect the consideration for their Repurchase Shares sold to the Company.

Unpresented cheque

Upon conclusion of the Repurchase Offer, the Administrators will return any amount remaining for the Shares Repurchase to the Company or the solicitors of the Company 6 months after the last possible date to distribute the payment by cheque to the relevant Registered Qualifying Shareholders. If any of the relevant Registered Qualifying Shareholders for any reason do not present the cheque within 6 months upon despatch by the Administrators, the Administrators and/or the Company shall not be responsible and shall have no obligation to issue a new cheque to those Registered Qualifying Shareholders or the relevant Accepting Shareholders after the expiry of the said 6 months period.

Extra prints of this Offer Document and Form of Acceptance

Failure of any person to receive this Offer Document will not invalidate any aspect of the Repurchase Offer. Extra prints of this Offer Document are available to the Qualifying Shareholders and the Form of Acceptance are available to the Registered Qualifying Shareholders only for collection at the office of the Registrar, Tricor Investor Services Limited at 26/F., Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong or the office of the Administrators at 62/F., One Island East, 18 Westlands Road, Island East, Hong Kong during the office hours from 9:00 a.m. to 4:30 p.m. between the date of this Offer Document to the Latest Acceptance Time (both days inclusive). This Offer Document and the Form of Acceptance are also available at the websites of the Stock Exchange (www.hkexnews.hk) and the Company (<http://ir.hontex.cn>) and at the Guiding Sessions.

EFFECT OF ACCEPTANCE OF THE REPURCHASE OFFER

Each Registered Qualifying Shareholder by whom, or on whose behalf, a Form of Acceptance is executed irrevocably undertakes, represents, warrants and agrees to and with the Company and the Administrators (so as to bind him/her/it, his/her/its personal representatives, heirs, successors and assigns) to the following effect:

Deeming provision

Once the Form of Acceptance is executed, the Accepting Shareholder is deemed to have accepted the Repurchase Offer with regard to the entire number of the Shares as supported by the Title Document(s) submitted together with the relevant Form of Acceptance.

Representations and warranties of Accepting Shareholders

By delivering, or instructing his/her/its nominee to deliver, to the Registrar a duly completed Form of Acceptance accompanied with the Title Document(s), or instructing his/her/its broker or custodian or nominee to accept the Repurchase Offer via CCASS, the Accepting Shareholder represents and warrants to the Company and the Administrators that:

- (i) he/she/it is a Qualifying Shareholder;
- (ii) for the Registered Qualifying Shareholders, the Title Document(s) accompanying the completed Form of Acceptance represents all the Shares he/she/it holds, unless he/she/it is a nominee holding the Shares on behalf of more than one beneficial owner, and for the Non-Registered Qualifying Shareholders, he/she/it has accepted the Repurchase Offer in full via his/her/its securities dealer, broker or custodian bank or nominee;
- (iii) he/she/it has full power and authority to tender, sell, assign and transfer all the Shares (together with all rights attaching thereto) represented by such Form of Acceptance for repurchase and that such Shares are fully paid, free from all liens, charges, encumbrances, equitable interests, rights of pre-emption or other third party rights of any nature and together with all rights attaching thereto on or after the date of their cancellation (including the right to all dividends and distributions (if any) declared, made, or paid on or after the date of their cancellation); and
- (iv) he/she/it has fully observed all applicable legal and/or other requirements in the jurisdiction where he/she/it is resident or domicile and the Repurchase Offer may be accepted by him/her/it lawfully under the laws of the relevant jurisdiction.

Appointment of the Administrators as agent and their authority upon acceptance of the Repurchase Offer by the Accepting Shareholders

Execution of the Form of Acceptance (or instruction to execute the Form of Acceptance) constitutes:

- (i) an irrevocable appointment of the Administrators, or such other person as they may direct, as such Accepting Shareholder's agent; and
- (ii) an irrevocable instruction to the Accepting Shareholder's agent to complete and execute the Form of Acceptance and/or any other document at the discretion of such Accepting Shareholder's agent on behalf of such Accepting Shareholder and to do any other acts or things as may in the opinion of the Accepting Shareholder's agent be necessary, expedient or desirable for the purpose of the Company repurchasing all Shares (as the Administrators may in their absolute discretion determine) of such Accepting Shareholder.

Undertakings by the Accepting Shareholders

By duly executing (or instructing nominees to execute) the Form of Acceptance, the Accepting Shareholder:

- (i) agrees to ratify and confirm each and every act or thing which may be done or effected by the Administrators or any Accepting Shareholder's agent in the proper exercise of its/his/her powers and authorities under the terms of the Repurchase Offer;
- (ii) undertakes to deliver to the Registrar the Title Document(s) in respect of the Shares for which the Repurchase Offer is (or is deemed to be) accepted, or an indemnity or indemnities acceptable to the Company in lieu thereof, or to procure the delivery of such document(s) to such person as soon as possible thereafter and, in any event, not later than the Latest Acceptance Time;
- (iii) accepts that the provisions of the Form of Acceptance and the other terms and conditions in this Offer Document (and any documents herein make reference to) are deemed to be incorporated into the terms and conditions of the Repurchase Offer;
- (iv) undertakes to execute any further documents, take any further actions and give any further assurances which may be required in connection with his/her/its acceptance of the Repurchase Offer as the Administrators may consider to be necessary, expedient or desirable, including without limitation, to complete the repurchase of any Shares in respect of which he/she/it has accepted or is deemed to have accepted the Repurchase Offer free from all liens, charges, encumbrances, equitable interests, rights of pre-emption or other third party rights of any nature and together with all rights attaching thereto on or after the date of his/her/its cancellation and/or to perfect any of the authorities expressed to be given hereunder;

- (v) authorizes the Administrators or the Accepting Shareholder's agent to procure the despatch by registered post of the consideration to which he/she/it is entitled at his/her/its own risk to the first-named holder on the Register of Members at his/her/its registered address in the Form of Acceptance; and
- (vi) submits to the jurisdiction of the courts of Hong Kong in relation to all matters arising out of or in connection with the Shares Repurchase or the Repurchase Offer or this Offer Document or the Form of Acceptance.

OVERSEAS STATUS OF THE QUALIFYING SHAREHOLDERS

This Offer Document will not be filed under any applicable securities or equivalent legislation or rules of any jurisdictions other than Hong Kong.

The making of the Repurchase Offer to and the acceptance of the Repurchase Offer by Overseas Qualifying Shareholders may be subject to the laws of the other jurisdictions. Such overseas laws may prohibit the making of the Repurchase Offer to the Overseas Qualifying Shareholders or requiring the compliance with filing, registration or other requirements. Qualifying Shareholders who are citizens or residents or nationals of or domiciled in jurisdictions outside Hong Kong should obtain appropriate independent legal advice on, or inform themselves about and observe all applicable legal and regulatory requirements.

It is the responsibility of each Qualifying Shareholder who wishes to accept the Repurchase Offer to satisfy himself/herself/itself as to the full observance of the laws of the relevant jurisdiction in that connection, including but not limited to the obtaining of any governmental, exchange, regulatory or other consents which may be required or the compliance with other necessary formalities, regulations or legal requirements and the payment of any transfer or cancellation or other taxes or duties due in respect of such jurisdiction. Any acceptance by any Qualifying Shareholder shall be deemed to constitute a representation and warranty from such Qualifying Shareholder to the Company that all applicable local laws and requirements have been complied with. Qualifying Shareholders are advised to consult their independent professional advisers in case of any doubt.

The Company will give notice of any matter in relation to the Repurchase Offer to the Qualifying Shareholders by issuing announcements or advertisements in accordance with the Articles of Association and the requirements of the SFC and/or the Stock Exchange and, if so given, such notice is valid notwithstanding the fact that any Overseas Qualifying Shareholder may not actually receive it.

TAXATION

Qualifying Shareholders are recommended to consult their own independent professional advisers if they are in any doubt as to the taxation implications of their acceptance of the Repurchase Offer. It is emphasized that none of the Company, the Administrators, its ultimate beneficial owners and parties acting in concert with any of them, the Registrar, the Company's legal advisers or any of their respective directors or any persons involved shall accept responsibility for any taxation effects on, or liabilities of, any person or persons as a result of their acceptance of the Repurchase Offer.

INTERPRETATION

A reference in this Offer Document to a Registered Qualifying Shareholder includes a reference to a person who is entitled to execute a Form of Acceptance and in the event of more than one person executing a Form of Acceptance, the provisions of this Offer Document apply to them jointly and severally. A reference in this Offer Document and the Form of Acceptance to the masculine gender includes the feminine and neuter genders, and a reference to the singular includes the plural, and vice versa.