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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)

LETTER OF INTENT RELATING TO A POSSIBLE ACQUISITION BY THE COMPANY

On 8 January 2013, the Company and the Possible Vendor entered into the LOI pursuant to which the Company is considering the acquisition of certain garment manufacturing and trading businesses from the Possible Vendor.

The Possible Acquisition may constitute a notifiable transaction of the Company under the Listing Rules. Further announcement(s) in respect of the Possible Acquisition will be made by the Company as and when appropriate.

The LOI does not create any legally binding obligations between the Company and the Possible Vendor to proceed with the Possible Acquisition unless and until the Acquisition Agreement is executed by both parties. The Possible Acquisition may or may not proceed. The publication of this announcement does not indicate that the Possible Acquisition will be completed or that the trading in the Shares will be resumed. Shareholders and potential investors of the Company are advised to exercise extreme caution when dealing in the Shares.

Trading in the Shares has been suspended since 9:30 a.m. on 30 March 2010 and will remain suspended until further notice.

References are made to the announcements of the Company dated 21 April 2010 and 3 December 2012.

LETTER OF INTENT

On 8 January 2013, the Company and the Possible Vendor entered into the LOI pursuant to which the Company is considering the acquisition of certain garment manufacturing and trading businesses from the Possible Vendor.

Completion of the Possible Acquisition is conditional upon the fulfillment of, among other things, the following conditions precedent:

1. the Acquisition Agreement being duly executed by both parties;
2. both parties are reasonably satisfied with the due diligence findings;
3. no material adverse change in the Group's business operations or financial condition between the date of the LOI and the date of entering into the Acquisition Agreement;
4. the decision to proceed with cancellation of the Company's listing has been withdrawn or overridden;
5. the Stock Exchange and/or the SFC having approved the Possible Acquisition and granted the relevant waivers/consents relating to the Possible Acquisition; and
6. the independent shareholders of the Company having approved the Possible Acquisition and the transactions contemplated thereunder and having obtained the relevant waivers/consents that needs to be sought from the Stock Exchange and/or the SFC.

To the best of the Directors' knowledge, information and belief and the Directors having made all reasonable enquiries, the Possible Vendor and its ultimate beneficial owners are third parties independent of the Company and its connected persons (as defined under the Listing Rules).

REASONS FOR ENTERING INTO THE LOI

The Company considers that leveraging on its long established history and reputation in the industry, its business is sustainable and capable of further growth and development. The Company considers that it is possible to restructure the principal assets and management of the Company to justify its listing status by way of merging with or acquiring other businesses and/or assets in a field related to the Company's existing line of business.

GENERAL

The Possible Acquisition may constitute a notifiable transaction of the Company under the Listing Rules. Further announcement(s) in respect of the Possible Acquisition will be made by the Company as and when appropriate.

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DEFINITIONS

In this announcement, the following expressions shall have the following meanings as set out below unless the context requires otherwise:

“Acquisition Agreement”	a definitive sale and purchase agreement in respect of the Possible Acquisition that may be signed between the Company and the Possible Vendor
“Company”	Hontex International Holdings Company Limited, the Shares of which are listed on the Main Board of the Stock Exchange (stock code: 946)
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“LOI”	the letter of intent dated 8 January 2013 entered into between the Company and the Possible Vendor relating to the Possible Acquisition
“Possible Acquisition”	the possible acquisition by the Company of certain garment manufacturing and trading businesses
“Possible Vendor”	a company holding the entire interest of the garment manufacturing and trading businesses which is the subject of the Possible Acquisition
“SFC”	the Securities and Futures Commission of Hong Kong
“Share(s)”	ordinary share(s) of nominal value of HK\$0.10 each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

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

Taiwan, 9 January 2013

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