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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)

CHANGE OF AUDITORS

The board of directors (the “Board”) announces that pursuant to its request KPMG has resigned as auditors of Hontex International Holdings Company Limited (the “Company”) with effect from 10 May 2010.

The Board has approached new auditors to fill the vacancy to hold office until the conclusion of the next annual general meeting of the Company.

The Board of the Company announces that, pursuant to its request, KPMG has tendered its resignation as auditors of the Company with effect from 10 May 2010.

The circumstances leading to KPMG’s resignation are set out in KPMG’s letter to the Audit Committee and the Board of the Company dated 10 May 2010. In that letter, KPMG stated that it had identified a number of discrepancies and issues relating to Group’s financial records during the course of its audit of the Company’s financial statements for the year ended 31 December 2009. KPMG also has concerns arising from the offer to certain members of its audit team of cash gifts. KPMG stated that it was obliged as the Company’s auditors to report the matters to the relevant authorities, following which the Hong Kong Securities and Futures Commission commenced an investigation of, and legal proceedings against, the Company in connection with the initial public offering in December 2009. The cash gifts are the subject of an investigation by the Independent Commission Against Corruption. As a result, KPMG believes that the auditor-client relationship has been impaired such that KPMG cannot complete an independent audit of the Company’s financial statements for year ended 31 December 2009.

KPMG has confirmed that, save for the matters mentioned above, it is not aware of any matters in connection with its resignation that need to be brought to the attention of the shareholders of the Company. The Board also confirms that, save for the above, there are no circumstances in respect of the change of auditor which should be brought to the attention of the shareholders of the Company.

The Board has approached new auditors to fill the vacancy to hold office until the conclusion of the next annual general meeting of the Company. A further announcement relating to the appointment of new auditors will be made in due course.

This announcement is made pursuant to Rule 13.51(4) of the Rules Governing the Listing of Securities on the Stock Exchange.

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

Taiwan, 13 May 2010

As at the date of this announcement, the Board comprises five executive directors, namely, Shao Ten-Po, Tseng Chung-Cheng, Liao Chin-Yi, Hu Chin-Shu, 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.