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恒安國際集團有限公司*

HENGAN INTERNATIONAL GROUP COMPANY LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 1044)

Websites: <http://www.hengan.com>

<http://www.irasia.com/listco/hk/hengan>

**VOLUNTARY ANNOUNCEMENT
ACQUISITION OF MACHINERY AND EQUIPMENT
FOR THE PURPOSE OF
ESTABLISHING NEW TISSUE PAPER PRODUCTION LINES**

The board of directors (the “**Board**”) of Hengan International Group Company Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) is pleased to announce that the Group entered into equipment manufacture and supply agreements with four different European suppliers in July and August 2010 pursuant to which:

1. the suppliers agreed to design, manufacture, supply and install six sets of machinery and equipment for the purpose of establishing six new tissue paper production lines at the Group’s plants in Chongqing, Wuhu and Jinjiang, the People’s Republic of China; and
2. the suppliers agreed to provide the Group the technical instruction, supervision and training for the relevant new tissue paper production lines.

To the best of the Directors’ knowledge, information and belief of the directors of the Company (the “**Directors**”) having made all reasonable enquires, the suppliers are not connected persons of the Company and are independent third parties not connected with the Company and its connected persons. Based on the terms of the relevant agreements, the purchase of machinery and equipment from each of the suppliers does not constitute a notifiable transaction for the Company under the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited.

The Company has planned to install two sets of the machinery and equipment at its plants in Chongqing to serve the western part of China which is benefited from the government’s western development plan, two sets at its plants in Wuhu to serve the fast-growing eastern China market, and two sets at its plants in Jinjiang, the principal place of business of the Group in China for optimising the synergy effect.

* *For identification purposes only*

The Company also plans that the respective target start-up dates of the six new production lines comprising such sets of the machinery and equipment will be in about fourth quarter of 2011 and first quarter of 2012 for the two lines in Chongqing, first quarter of 2012 and second quarter of 2012 for the two lines in Wuhu, and third quarter of 2012 and fourth quarter of 2012 for the two lines in Jinjiang. Each set of machinery and equipment to be acquired by the Group is expected to increase the Group's annual production capacity of tissue paper products by additional 60,000 tons and thus total annual production capacity is expected to be increased by an aggregate of 360,000 tons after installation of all six sets of machinery and equipment.

As mentioned in the Chief Executive Officer's Report in the Company's annual report for the financial year ended 31 December 2009, the Group will continue to expand its production capacity in response to market demand so as to strengthen its market leadership.

In view of the growing tissue paper market and the satisfactory performance of the Group in tissue paper business, the Board considers that the acquisition of the new machinery and equipment and establishment of new production lines demonstrate the continuance of the Group's business growth in the tissue paper products industry, and enable the Group to further increase its market share and competitiveness in the market.

By order of the Board
Hengan International Group Company Limited
Hui Lin Chit
Executive Director and Chief Executive Officer

Hong Kong, 23 August 2010

As at the date of this announcement, our Executive Directors are Mr. Sze Man Bok, Mr. Hui Lin Chit, Mr. Hung Ching Shan, Mr. Xu Da Zuo, Mr. Xu Shui Shen, Mr. Xu Chun Man, Mr. Sze Wong Kim, Mr. Hui Ching Chi and Mr. Loo Hong Shing Vincent; and our Independent Non-Executive Directors are Mr. Chan Henry, Mr. Wang Ming Fu and Ms. Ada Ying Kay Wong.