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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 ENTERING INTO A SALE AND PURCHASE AGREEMENT**

### **SUMMARY OF THE TRANSACTION**

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 on 5 June 2017 (after trading hours), Hengan (Malaysia) Investments Company Limited (“**Hengan Malaysia**”) (an indirect wholly-owned subsidiary of the Company) has entered into a sale and purchase agreement (the “**Agreement**”) with Wang-Zheng Resources Sdn Bhd, Macro-Link Sdn Bhd, Charost Limited and Zhong Xin Construction Co., Ltd (collectively, the “**Sellers**”) to acquire in aggregate 80,000,000 shares (the “**Sale Shares**”) of Wang-Zheng Berhad (“**Wang-Zheng**”, together with its subsidiaries, “**Wang-Zheng Group**”), a company listed on the Main Market of Bursa Malaysia Securities Berhad (“**Bursa Securities**”) with a stock code of 7203.

The consideration payable under the Agreement is RM91,200,000 (ninety one million and two hundred thousand Malaysian Ringgit, equivalent to approximately RMB145,008,000) (excluding brokerage and other incidental cost).

The Sale Shares represent approximately 50.45% of the equity interest in Wang-Zheng (excluding treasury shares). Pursuant to the Agreement, the Group proposes to nominate three executive directors of the Company, namely Mr. Sze Man Bok, Mr. Hui Lin Chit and Mr. Li Wai Leung, to be appointed as executive directors of Wang-Zheng. Upon the successful appointment of these directors, the board of Wang-Zheng is expected to comprise of 8 executive directors (3 of whom are nominated by the Group), 4 non-independent non-executive directors (excluding 1 alternate director) and 6 independent non-executive directors.

\* *For identification purposes only*

Under relevant laws and regulations of Malaysia, Hengan Malaysia is obliged to extend an unconditional mandatory take-over offer (the “**Offer**”) to acquire all the remaining ordinary shares in Wang-Zheng (excluding treasury shares) not already owned by Hengan Malaysia at RM1.14 per share (equivalent to approximately RMB1.81), being the same price as that for each Sale Share. Assuming the Offer is fully accepted by the relevant shareholders of Wang-Zheng, Hengan Malaysia will have to pay a total of RM89,582,454 (equivalent to approximately RMB142,436,102) under the Offer.

Hengan Malaysia is required to comply with the requirements governing the making of the Offer under the laws and regulations in Malaysia, including but not limited to the delivery to the board of directors of Wang-Zheng a notice of the Offer (the “**Notice**”) upon the Agreement becoming unconditional. As the Agreement has become unconditional, the Board confirms that the Notice has been delivered to the board of directors of Wang-Zheng accordingly. Further details of the Notice can be found in the announcement made by Wang-Zheng on the website of Bursa Securities, at [www.bursamalaysia.com](http://www.bursamalaysia.com), on 5 June 2017.

Upon completion of the Agreement on 5 June 2017, Wang-Zheng will be accounted for as a subsidiary of the Company. The Group intends to maintain the listing status of Wang-Zheng on the Main Market of Bursa Securities.

## **REASONS FOR AND BENEFITS OF THE TRANSACTION**

The Group is principally engaged in the manufacturing, distribution and sale of personal hygiene products, mainly in the People’s Republic of China. Wang-Zheng and its subsidiaries are principally engaged in investment holding and the manufacturing and processing of fibre-based products, which include disposable adult and baby diapers, sanitary protection and tissue products, cotton products and processed papers.

The Board believes that the entering into the transactions contemplated by the Agreement will further enhance the overall growth of the Group and is undertaken as part of its plan to expand its business operations and diversify its revenue stream outside the People’s Republic of China. The Company will seek to leverage on its extensive experience and work with the existing management team of Wang-Zheng to grow the Wang-Zheng Group.

## **GENERAL INFORMATION**

To the best of the knowledge, information and belief of the directors of the Company having made all reasonable enquires, the Sellers 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 Agreement, as none of the applicable percentage ratios exceed 5%, the purchase of the Sale Shares from the Sellers and/or the making of the Offer 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 will make further announcement(s) in relation to the transaction as and when appropriate. Wang-Zheng has made and will make announcements in relation to the transaction on Bursa Securities as and when appropriate, which may be found at [www.bursamalaysia.com](http://www.bursamalaysia.com).

*Note:* The exchange rate adopted in this announcement for illustration purposes only is RM1.00 = RMB1.59. Such conversions are for reference only and should not be construed as representations that the Malaysian Ringgit amount could be converted into Renminbi at that or any other rate.

By order of the Board  
**Hengan International Group Company Limited**  
**Sze Man Bok**  
*Chairman*

Hong Kong, 5 June 2017

*As at the date of this announcement, the Board comprises Mr. Sze Man Bok, Mr. Hui Lin Chit, Mr. Hung Ching Shan, Mr. Xu Shui Shen, Mr. Xu Da Zuo, Mr. Xu Chun Man, Mr. Sze Wong Kim, Mr. Hui Ching Chi and Mr. Li Wai Leung as executive directors, and Mr. Chan Henry, Mr. Wang Ming Fu, Ms. Ada Ying Kay Wong, Mr. Ho Kwai Ching Mark and Mr. Zhou Fang Sheng as independent non-executive directors.*