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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 IN RELATION TO INVESTMENT IN FINNPULP**

Reference is made to the voluntary announcement dated 23 April 2018 (the “**Announcement**”) in relation to the initial investment agreement and shareholders’ agreement in respect of Finnpulp Oy (“**Finnpulp**”, a company incorporated in Finland with limited liability). Unless stated otherwise, capitalised terms used herein shall have the same meanings ascribed to them in the Announcement.

On 23 April 2018, Hengan Luxembourg entered into, among others, the Initial Investment Agreement with Finnpulp and its existing shareholders to subscribe for the Subscription Shares of Finnpulp, representing approximately 36.46% of the enlarged total issued share capital of Finnpulp upon completion of the transactions contemplated under the Initial Investment Agreement (the “**Investment**”). The Investment was entered into after having completed due diligence on Finnpulp and the Pulp Mill Project and given due consideration, which included site visits, the review of an environmental impact assessment in 2015 and the environmental permit issued by the Regional State Administrative Agency for Eastern Finland in March 2017. The Investment was also welcomed by the local government of the city of Kuopio, Finland, where the Pulp Mill Project was located.

On 19 December 2019, the Supreme Administrative Court (KHO) rejected the environmental permit for Finnpulp. The decision was based on uncertainty of long-term effects of the Pulp Mill Project to the Kallavesi lake which is very close to the planned location of the mill. The decision is final and is not subject to appeal. To the best of knowledge of the Company, the said environmental permit is crucial to the construction of the Pulp Mill Project. As such, the Company is engaging in discussions with Finnpulp and the existing shareholders of Finnpulp in relation to the next course of action, including the continuity of obligations under the Initial Investment Agreement and the Shareholders’ Agreement and the possibility of alternative investment options.

Despite the aforementioned change in circumstance in the Pulp Mill Project, the Company will continue to identify and consider investment opportunities in which the Company may participate.

**Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.**

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

\* *For identification purposes only*

Hong Kong, 20 December 2019

*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. Theil Paul Marin, Ms. Ada Ying Kay Wong, Mr. Ho Kwai Ching, Mark and Mr. Zhou Fang Sheng as independent non-executive directors.*