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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Hengan International Group Company Limited, you should at once hand this circular, together with the enclosed form of proxy, to the purchaser or other transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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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>

**GENERAL MANDATES TO ISSUE AND
REPURCHASE SHARES
RE-ELECTION OF RETIRING DIRECTORS
PROPOSED AMENDMENTS TO MEMORANDUM AND
ARTICLES OF ASSOCIATION
ADOPTION OF NEW MEMORANDUM AND ARTICLES OF ASSOCIATION
AND
NOTICE OF AGM**

A notice convening the AGM of Hengan International Group Company Limited to be held at Tianshan and Lushan Room, Level 5, Island Shangri-la, Pacific Place, Supreme Court Road, Central, Hong Kong on Tuesday, 22 May 2012 at 10:00 a.m., is set out on pages 15 to 24 of this circular.

Whether or not Shareholders intend to attend the said meeting, they are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon as soon as possible and in any event not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof. Completion and return of the form of proxy will not prevent you from attending and voting in person at the meeting or any adjournment thereof should you so wish.

* *for identification purposes only*

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DEFINITIONS

In this circular, the following expressions have the following meanings unless the context otherwise requires:

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| “AGM” | the annual general meeting of the Company to be held at Tianshan and Lushan Room, Level 5, Island Shangri-la, Pacific Place, Supreme Court Road, Central, Hong Kong on 22 May 2012 at 10:00 a.m.; |
| “Articles of Association” | the Articles of Association of the Company; |
| “associate(s)” | has the meaning ascribed to it under the Listing Rules; |
| “Auditors” | the auditors for the time being of the Company; |
| “Board” | the board of Directors or a duly authorised committee of the board of Directors; |
| “Companies Law” | the Companies Law (2011 Revision) (Cap. 22) of the Cayman Islands; |
| “Company” | Hengan International Group Company Limited, a company incorporated in the Cayman Islands with limited liability, the issued Shares of which are listed on the main board of the Stock Exchange; |
| “connected person(s)” | has the meaning ascribed to it under the Listing Rules; |
| “controlling shareholder(s)” | has the meaning ascribed to it under the Listing Rules; |
| “Corporate Governance Code” | the Corporate Governance Code as set out in Appendix 14 of the Listing Rules; |
| “Director(s)” | the director(s) of the Company; |
| “Group” | the Company and its Subsidiaries; |
| “Hong Kong” | the Hong Kong Special Administrative Region of the PRC; |
| “Latest Practicable Date” | 12 April 2012, being the latest practicable date for ascertaining certain information for inclusion in this circular; |
| “Listing Rules” | the Rules Governing the Listing of Securities on the Stock Exchange; |
| “Memorandum and Articles of Association” | the consolidated memorandum of association and Articles of Association of the Company; |
| “PRC” | the People’s Republic of China; |
| “SFO” | the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) as amended from time to time |

DEFINITIONS

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| “Share(s)” | Share(s) of HK\$0.10 each in the capital of the Company or, if there has been any subsequent sub-division, reduction, consolidation, reclassification or reconstruction of the share capital of the Company, the shares in the ordinary share capital of the Company resulting from such sub-division, reduction, consolidation, reclassification or reconstruction; |
| “Shareholder(s)” | holder(s) of issued Shares; |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited; |
| “substantial shareholders” | has the meaning ascribed to it under the Listing Rules; |
| “Takeovers Code” | the Code on Takeovers and Mergers approved by the Securities and Futures Commission as amended from time to time; |
| “HK\$” | Hong Kong dollars; and |
| “%” | per cent. |

LETTER FROM THE BOARD



恒安國際集團有限公司*

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Executive Directors:

Mr. Sze Man Bok (*Chairman*)

Mr. Hui Lin Chit

(*Deputy Chairman and Chief Executive Officer*)

Mr. Hung Ching Shan

Mr. Xu Shui Shen

Mr. Xu Da Zuo

Mr. Xu Chun Man

Mr. Sze Wong Kim

Mr. Hui Ching Chi

Mr. Loo Hong Shing Vincent

Independent Non-Executive Directors:

Mr. Chan Henry

Mr. Wang Ming Fu

Ms. Ada Ying Kay Wong, *JP*

Registered Office:

P.O. Box 309,

Ugland House,

Grand Cayman,

KY1-1104,

Cayman Islands

Head Office:

Hengan Industrial City,

Anhai Town, Jinjiang City,

Fujian Province,

PRC

Place of Business in Hong Kong:

Unit 2101D, 21st Floor,

Admiralty Centre, Tower 1,

18 Harcourt Road,

Hong Kong

Hong Kong, 19 April 2012

To the Shareholders,

Dear Sir or Madam,

**GENERAL MANDATES TO ISSUE AND
REPURCHASE SHARES
RE-ELECTION OF RETIRING DIRECTORS
PROPOSED AMENDMENTS TO MEMORANDUM AND
ARTICLES OF ASSOCIATION
ADOPTION OF NEW MEMORANDUM AND ARTICLES OF ASSOCIATION
AND
NOTICE OF AGM**

1. INTRODUCTION

By ordinary resolutions of the Shareholders of Company passed on 26 May 2011, general mandates were granted to the Directors (i) to repurchase, on the Stock Exchange, ordinary shares of HK\$0.10 each in the capital of the Company up to a maximum of 10% of the aggregate nominal amount of the share capital

* for identification purposes only

LETTER FROM THE BOARD

in issue of the Company; (ii) to allot, issue or otherwise deal with Shares up to a maximum of 20% of the total of the aforesaid aggregate nominal amount of share capital in issue of the Company and the number of Shares repurchased (if any) pursuant to the aforesaid general mandate to repurchase Shares. These general mandates will expire at the conclusion of the AGM if they are not revoked or varied by an ordinary resolution of the Shareholders before the AGM. It is therefore proposed to seek your approval at the AGM to grant fresh general mandates to the Directors to exercise the above powers.

The Board also proposes to make amendments to the Memorandum and Articles of Association in order to bring the Memorandum and Articles of Association in line with the recently amended Corporate Governance Code and the associated Listing Rules and to update all references of the Companies Law. Furthermore, the Board also proposes the Company to adopt a new set of Memorandum and Articles of Association incorporating all previous amendments to the Memorandum and Articles of Association and the amendments to be proposed at the AGM. It is therefore proposed to seek your approval at the AGM for such amendments to the Memorandum and Articles of Association and the adoption of the new Memorandum and Articles of Association.

This circular contains all information reasonably necessary to enable Shareholders to make an informed decision on whether to vote for or against the resolutions proposed at the AGM.

2. GENERAL MANDATE TO REPURCHASE SHARES

Under the Companies Law and the Listing Rules, listed companies are allowed to repurchase their own issued securities. The Articles of Association also enable such securities repurchases to be made. The Directors consider that the power to repurchase Shares increases flexibility in the conduct of the Company's affairs and is in the interests of its Shareholders.

At the AGM, an ordinary resolution will be proposed that the Directors be given a general mandate to exercise all powers of the Company to repurchase Shares subject to the Articles of Association, the applicable laws and relevant regulatory requirements. Shareholders should note that the maximum number of Shares that may be repurchased pursuant to the mandate as set out in Resolution No. 10 of the notice of AGM on pages 15 to 24 of this circular will be such number of Shares not exceeding 10% of the aggregate nominal amount of the share capital of the Company in issue at the date of the AGM (the "Share Repurchase Mandate"). A resolution authorizing the extension of the mandate as set out in Resolution No. 9 of the notice of AGM to the Directors to issue additional Shares by the number of Share repurchased (if any) under the repurchase mandate (as set out in Resolution No. 10) will be proposed as Resolution No. 11 at the AGM.

Appendix I to this circular contains the Explanatory Statement required under the Listing Rules that gives all the information reasonably necessary to enable Shareholders to make an informed decision in connection with their approval of the Share Repurchase Mandate.

3. GENERAL MANDATE TO ISSUE SHARES

An ordinary resolution will also be proposed at the AGM for the grant of a general mandate to the Directors to issue, allot or otherwise deal with additional Shares of the Company up to a maximum of 20% of the aggregate nominal amount of the issued share capital of the Company as at the date of the passing of the resolution (the "Share Issuance Mandate").

LETTER FROM THE BOARD

The Share Issuance Mandate is valid from the date of the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company; or
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by any applicable laws or the Articles of Association to be held; or
- (iii) the revocation or variation of the authority given under this resolution by ordinary resolution of the Shareholders in general meeting.

As at the Latest Practicable Date, the number of Shares in issue was 1,229,017,721 shares. Accordingly, the exercise of the Share Issuance Mandate in full would enable the Company to issue, allot or otherwise deal with additional 245,803,544 Shares.

4. RE-ELECTION OF RETIRING DIRECTORS

As at the Latest Practicable Date, the Board comprises Mr. Sze Man Bok, Mr. Hui Lin Chit, Mr. Hung Ching Shan, Mr. Xu Shui Shen, Mr. Xu Chun Man, Mr. Xu Da Zuo, Mr. Sze Wong Kim, Mr. Hui Ching Chi and Mr. Loo Hong Shing Vincent as executive Directors and Mr. Chan Henry, Mr. Wang Ming Fu and Ms. Ada Ying Kay Wong as independent non-executive Directors.

Pursuant to the Article 116, Mr. Sze Man Bok, Mr. Hung Ching Shan, Mr. Xu Da Zuo and Mr. Loo Hong Shing Vincent shall retire from office at the AGM and shall be eligible for re-election. Details of the Directors proposed to be re-elected at the AGM are set out in Appendix II to this circular.

5. PROPOSED AMENDMENTS TO MEMORANDUM AND ARTICLES OF ASSOCIATION

Recent amendments have been made to the Corporate Governance Code and the associated Listing Rules. The Board proposes to amend the Memorandum and Articles of Association so as to bring them in line with the amendments made to the Corporate Governance Code and the associated Listing Rules. A summary of the proposed amendments are set out below:

Memorandum

Clauses 2, 4 and 7 Minor housekeeping amendments

Article

Article 80 To allow Shareholders to vote on procedural or administrative matter at a general meeting by a show of hands upon decision of the Chairman.

Article 107(c) To remove the 5% exemption for voting by a Director on a board resolution in which he has an interest.

Article 133 To reflect that if a substantial Shareholder or Director has a material conflict of interest in a matter to be considered by the Board, then that matter should be dealt with by a physical Board meeting rather than a written resolution.

LETTER FROM THE BOARD

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| Article 165 | To require approval of the Shareholders by way of an ordinary resolution at the general meeting for the removal of an Auditor of the Company before the expiration of its term of office. |
| Articles 2, 23, 28, 83, 83A, 85, 96b, 167a | Minor housekeeping amendments. |

The full text of the proposed amendments to the Memorandum and Articles of Association is set out in resolution 12 in the notice of AGM. The proposed amendments are subject to the approval of the Shareholders by way of special resolution at the AGM.

6. ADOPTION OF NEW MEMORANDUM AND ARTICLES OF ASSOCIATION

The Board proposes the Company to adopt a set of new Memorandum and Articles of Association, incorporating all previous amendments to the existing Memorandum and Articles of Association and the amendments to be proposed at the AGM, in substitution of the existing Memorandum and Articles of Association, instead of amending the existing Memorandum and Articles of Association on a piecemeal basis, which may lead to confusion and complication in the future.

Pursuant to the existing Memorandum and Articles of Association, the proposed adoption of the new Memorandum and Articles of Association is subject to the approval of the Shareholders by way of special resolution at the AGM.

7. CLOSURE OF REGISTER OF MEMBERS

(a) For determining the entitlement to attend and vote at the 2012 AGM

The AGM is scheduled to be held on Tuesday, 22 May 2012. For determining the entitlement to attend and vote at the AGM, the register of members of the Company will be closed from Friday, 18 May 2012 to Tuesday, 22 May 2012, both days inclusive, during which period no transfer of Shares of the Company will be registered. In order to be eligible to attend and vote at the AGM, unregistered holders of Shares of the Company should ensure that all the share transfer documents accompanied by the relevant share certificates must be lodged with the share registrar of the Company in Hong Kong, Tricor Abacus Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Hong Kong, for registration not later than 4:30 p.m. on Thursday, 17 May 2012.

(b) For determining the entitlement to the proposed final dividend

The proposed final dividend is subject to the approval of Shareholders at the AGM. For determining the entitlement to the proposed final dividend for the year ended 31 December 2011, the register of members of the Company will also be closed from Monday, 28 May 2012 to Tuesday, 29 May 2012, both days inclusive, during which period no transfer of Shares of the Company will be registered. In order to qualify for entitlement to the proposed final dividend, unregistered holders of Shares of the Company should ensure that all share transfer documents accompanied by the relevant share certificates must be lodged with the share registrar of the Company in Hong Kong, Tricor Abacus Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Hong Kong, for registration not later than 4:30 p.m. on Friday, 25 May 2012.

LETTER FROM THE BOARD

8. ANNUAL GENERAL MEETING

The AGM will be held at Tianshan and Lushan Room, Level 5, Island Shangri-la, Pacific Place, Supreme Court Road, Central, Hong Kong on Tuesday, 22 May 2012 at 10:00 a.m. The notice of AGM is set out on pages 15 to 24 of this circular. Resolutions in respect of the general mandates to repurchase and issue Shares, re-election of retiring Directors, amendments to the Memorandum and Articles of Association and the adoption of the new Memorandum and Articles of Association as referred to above will be proposed, amongst others, at the AGM.

9. ACTION TO BE TAKEN

A form of proxy for use at the AGM is enclosed. Whether or not you are able to attend the AGM, you are requested to complete and return the form of proxy to the Company's share registrar, Tricor Abacus Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Hong Kong as soon as possible, and in any event not less than 48 hours before the time appointed for holding of the meeting. Completion and return of the form of proxy will not prevent you from attending and voting at the AGM should you so wish.

10. VOTING BY POLL

According to the Listing Rules, any vote of shareholders at a general meeting must be taken by poll, and hence the Chairman of the meeting will demand for a poll for all resolutions put forward at the forthcoming AGM to be held on 22 May 2012.

11. RECOMMENDATION

The Directors believe the general mandates to repurchase and issue Shares, re-election of retiring Directors, amendments to the Memorandum and Articles of Association and the adoption of new Memorandum and Articles of Association are in the best interests of the Company and Shareholders as a whole, and accordingly recommend you to vote in favour of all the relevant resolutions to be proposed at the AGM.

12. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

By order of the Board
Sze Man Bok
Chairman

(A) PROPOSED SHARE REPURCHASE MANDATE

It is proposed that the Directors may exercise the powers of the Company to repurchase up to 10% of the Shares in issue as at the date of the passing of the resolution to approve the granting to the Directors the Share Repurchase Mandate. As at the Latest Practicable Date, the number of Shares in issue was 1,229,017,721 shares. Accordingly, the exercise of the Share Repurchase Mandate in full (being the repurchase of 10% of the Shares in issue as at the date of the passing of the resolution to approve the Share Repurchase Mandate) would enable the Company to repurchase 122,901,772 shares.

(B) REASONS FOR REPURCHASES

Repurchases of Shares will only be made if the Directors believe that such repurchases will benefit the Company and its Shareholders. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net value of the Company and its assets and/or its earnings per Share.

(C) FUNDING OF REPURCHASES

In repurchasing securities, the Company may only apply funds legally available for such purpose in accordance with the Articles of Association, the Listing Rules and the applicable laws of the Cayman Islands.

There might be a material adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in its most recent published accounts) in the event that the Share Repurchase Mandate is exercised in full. However, the Directors do not propose to exercise the Share Repurchase Mandate to such an extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

(D) UNDERTAKING

None of the Directors or, to the best of their knowledge having made all reasonable enquiries, any of their associates has any present intention to sell Shares to the Company or its subsidiaries if the Share Repurchase Mandate is granted.

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the Share Repurchase Mandate in accordance with the Articles of Association, the Listing Rules and the applicable laws of the Cayman Islands.

No connected person has notified the Company that he has a present intention to sell Shares to the Company, or has undertaken not to do so, in the event that the Share Repurchase Mandate is granted.

(E) IMPLICATION UNDER TAKEOVERS CODE AND THE PUBLIC FLOAT REQUIREMENT

If on the exercise of the power to repurchase Shares pursuant to the Share Repurchase Mandate, a shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of Rule 32 of the Takeovers Code. As a result, a shareholder or a group of shareholders acting in concert, depending on the level of increase of the shareholders' interest, could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code. As at the Latest Practicable Date, the substantial shareholders of the Company, Mr. Sze Man Bok and Mr. Hui Lin Chit, were beneficially interested in an aggregate of 453,474,350 Shares, representing approximately 36.9% of the total issued share capital of the Company, which were held by Credit Suisse Trust Limited as trustee of The Sze's Family Trust and The Hui Family Trust, being discretionary trusts established by Mr. Sze and Mr. Hui respectively.

In the event the Directors exercise in full the power to repurchase Shares which is proposed to be granted pursuant to the Share Repurchase Mandate, the aggregate interests of the abovesaid Shareholders would be increased to approximately 41.0% of the total issued share capital of the Company after the repurchase. The Directors believe that such increase may give rise to such Shareholders an obligation to make a mandatory offer in accordance with Rule 26 of the Takeovers Code. However, the Directors do not intend to exercise the power to repurchase Shares to such extent at present. The Directors are not aware of any other consequences which may arise under the Takeovers Code as a result of any repurchase made under the Share Repurchase Mandate.

Any repurchase of the Shares which results in the number of Shares held by the public being reduced to less than the prescribed percentage of the Shares then in issue could not be implemented unless waiver is granted by the Stock Exchange from strict compliance requirements regarding the public float under Rule 8.08 of the Listing Rules. However, in the event that the Share Repurchase Mandate is exercised in full, the number of Shares held by the public would not fall below 25% of the total number of Shares in issue.

(F) SHARE PRICES

The highest and lowest prices at which Shares had been traded on the Stock Exchange during each of the previous twelve months before the Latest Practicable Date, were as follows:

| | Share Price | |
|---|-------------------|------------------|
| | Highest (HK\$) | Lowest (HK\$) |
| 2011 | | |
| April | 65.30 | 56.05 |
| May | 68.45 | 58.80 |
| June | 70.75 | 66.25 |
| July | 74.00 | 65.65 |
| August | 70.35 | 57.45 |
| September | 70.00 | 60.80 |
| October | 72.00 | 56.80 |
| November | 74.70 | 66.70 |
| December | 75.50 | 67.55 |
| 2012 | | |
| January | 75.90 | 67.60 |
| February | 71.50 | 66.80 |
| March | 78.50 | 68.50 |
| April (up to the Latest Practicable Date) | 82.00 | 77.50 |

(G) SHARE REPURCHASE MADE BY THE COMPANY

During the six months prior to the Latest Practicable Date, the Company had not purchased any of its Shares.

MR. SZE MAN BOK

Mr. Sze Man Bok, aged 62, is the Chairman of the Group. He is responsible for the Group's overall corporate direction and business strategy. Mr. Sze is one of the founding Shareholders of the Company.

Mr. Sze has entered into a service agreement with the Company for an initial term of three years and continuing thereafter on an annual basis. His directorship is subject to retirement by rotation and re-election in accordance with the Articles of Association. Mr. Sze received remuneration of approximately HK\$421,000 for the year ended 31 December 2011, which was determined with reference to his experience, responsibilities, performance and the Group's financial results.

Mr. Sze is the father of Mr. Sze Wong Kim, an Executive Director of the Company. Saved as disclosed above, he does not have any relationship with any Directors, senior management, substantial or controlling Shareholder of the Company. As at the Latest Practicable Date, Mr. Sze was interested in 228,794,599 Shares and held 10,000 options granted under the share option scheme adopted by the Company on 2 May 2003 to subscribe for 10,000 Shares of the Company within the meaning of Part XV of the SFO. Out of the 228,794,599, 228,228,999 Shares were held by Credit Suisse Trust Limited, as trustee of Sze's Family Trust, being a discretionary trust established by Mr. Sze. Mr. Sze had personal interests in 565,600 Shares. He has not held any directorship in other listed companies in the last three years.

No public sanctions have been made against Mr. Sze by statutory or regulatory authorities, saved as disclosed below. Reference was made to the Stock Exchange announcement on 11 October 2001. During the period from September to December 1999, the Group had made temporary advances of HK\$46,425,000 to United Wealth International (Holdings) Limited ("United Wealth") and Changde Hengan Paper Products Co., ("Changde Paper"). These temporary advances, representing approximately 3.02% of the Group's consolidated net tangible assets as at 31 December 1999, were fully received with interest and handling fee between early January 2000 and February 2000. United Wealth was wholly owned by Mr. Sze Man Bok, Mr. Hui Lin Chit, Mr. Yeung Wing Chun and Mr. Hung Ching Shan, the Executive Directors of the Company for the time being, while Changde Paper was a 94% owned subsidiary of United Wealth. As such, the temporary advances constituted connected transactions of the Company. Mr. Sze and other relevant Executive Directors were publicly criticised for breaching the Listing Rules and Directors' Undertaking as they failed to disclose these connected transactions by way of a press notice, seek independent Shareholders' approval in advance and notify the Stock Exchange on a timely basis. Mr. Sze considers that he is appropriate to continue to act as a Director of the Company as the above infringement was unintentional and did not arise by reason of any bad faith or deliberate conduct. In addition, he has gained relevant experience and knowledge from the above event to prevent any similar infringement in the future. The Board also considers that Mr. Sze, who has over 30 years of experience in the consumer product industry, has the requisite knowledge and competence to act as an Executive Director of the Company.

Save as disclosed above, Mr. Sze has confirmed that there are no other matters that need to be brought to the attention of the Shareholders or to be disclosed pursuant to Rule 13.51(2)(i) to (v) of the Listing Rules in connection with his re-election.

MR. HUNG CHING SHAN

Mr. Hung Ching Shan, aged 62, is responsible for supervising the Group's purchasing tender assignments. He has over 33 years of experience in raw materials procurement as well as in import and export trading. Mr. Hung is one of the founding shareholders of the Company.

Mr. Hung has entered into a service agreement with the Company for an initial term of three years and continuing thereafter on an annual basis. His directorship is subject to retirement by rotation and re-election in accordance with the Articles of Association. Mr. Hung received remuneration of approximately HK\$248,000 for the year ended 31 December 2011, which was determined with reference to his experience, responsibilities, performance and the Group's financial results.

Mr. Hung does not have any relationship with any Directors, senior management, substantial or controlling Shareholder of the Company. As at the Latest Practicable Date, Mr. Hung had personal interests of 7,000,000 shares in the Company within the meaning of Part XV of the SFO. He has not held any directorship in other listed companies in the last three years.

No public sanctions have been made against Mr. Hung by statutory or regulatory authorities, saved as disclosed in Mr. Sze Man Bok's biography on P.11 of this circular. Mr. Hung considers that he is appropriate to continue to act as a Director of the Company as the relevant infringement was unintentional and did not arise by reason of any bad faith or deliberate conduct. In addition, he has gained relevant experience and knowledge from the relevant event to prevent any similar infringement in the future. The Board also considers that Mr. Hung, who has over 33 years of experience in the consumer product industry, has the requisite knowledge and competence to act as an Executive Director of the Company.

Save as disclosed above, Mr. Hung has confirmed that there are no other matters that need to be brought to the attention of the Shareholders or to be disclosed pursuant to Rule 13.51(2)(i) to (v) of the Listing Rules in connection with his re-election.

MR. XU DA ZUO

Mr. Xu Da Zuo, aged 45, is an Executive Director of the Company, the Group's Deputy Director of Finance and is responsible for overseeing and monitoring the accounting and finance functions of the Group. Joining the Group in 1985, Mr. Xu has over 27 years of experience in accounting and internal audit. He has the title of senior accountant in the PRC. Mr. Xu is the vice-chairman of the Youth Trade Association and a standing member of an audit institution in the PRC.

Mr. Xu has entered into a service agreement with the Company for an initial term of three years and continuing thereafter on an annual basis. His directorship is subject to retirement by rotation and re-election in accordance with the Articles of Association. Mr. Xu received remuneration of approximately HK\$790,000 for the year ended 31 December 2011, which was determined with reference to his experience, responsibilities, performance and the Group's financial results.

Mr. Xu is a cousin of Mr. Hui Lin Chit, an Executive Director of the Company and a brother of Mr. Xu Lian Pi and Mr. Xu Shui Shen, being respectively a senior management of the Group and an Executive Director of the Company. Save as disclosed above, he does not have any relationship with any directors, senior management, substantial or controlling shareholder of the Company. As at the Latest Practicable Date, Mr. Xu was interested in 19,777,321 Shares within the meaning of Part XV of the SFO. Out of the 19,777,321 Shares, 17,270,000 Shares were held by Credit Suisse Trust Limited, as trustee of The Xu Family Trust, being a discretionary trust established by Mr. Xu. The remaining 2,507,321 Shares were held by Hengan International Investments Limited which held the Shares for Mr. Xu as nominee. He has not held any directorship in other listed companies in the last three years.

No public sanctions have been made against Mr. Xu by statutory or regulatory authorities, saved as disclosed in Mr. Sze Man Bok's biography on P.11 of this circular. Mr. Xu considers that he is appropriate to continue to act as a Director of the Company as the relevant infringement was unintentional and did not arise by reason of any bad faith or deliberate conduct. In addition, he has gained relevant experience and knowledge from the above event to prevent any similar infringement in the future. The Board also considers that Mr. Xu, who has over 20 years of experience in the consumer product industry, has the requisite knowledge and competence to act as an Executive Director of the Company.

Save as disclosed above, Mr. Xu has confirmed that there are no other matters that need to be brought to the attention of the Shareholders or to be disclosed pursuant to Rule 13.51(2)(i) to (v) of the Listing Rules in connection with his re-election.

MR. LOO HONG SHING VINCENT

Mr. Loo Hong Shing Vincent, aged 46, is an Executive Director, the Chief Financial Officer, the Company Secretary and authorized representative of the Company. Before joining the Company in 2004, Mr. Loo worked in an international firm of accountants in Hong Kong. He has substantial experience in assurance and business advisory work, company listing and merger and acquisition work in both Hong Kong and the PRC. He graduated from the Hong Kong Polytechnic University and is an associate member of the Hong Kong Institute of Certified Public Accountants and a fellow member of the Association of Chartered Certified Accountants.

Mr. Loo entered into a service agreement with the Company for an initial term of three years and continuing thereafter on an annual basis and his directorship is subject to retirement by rotation and re-election in accordance with the Articles of Association. Mr. Loo received remuneration of approximately HK\$2,052,000 for the year ended 31 December 2011, which was determined with reference to his experience, responsibilities, performance and the Group's financial results.

Mr. Loo does not have any relationship with any Directors, senior management, substantial or controlling Shareholder of the Company. As at the Latest Practicable Date, he had personal and family interests of 40,000 shares and 85,000 share options in the Company within the meaning of Part XV of the SFO. He has not held any directorship in other listed companies in the last three years.

Save as disclosed above, Mr. Loo has confirmed that there are no other matters that need to be brought to the attention of the Shareholders or to be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules in connection with his re-election.

NOTICE OF ANNUAL GENERAL MEETING



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>

NOTICE IS HEREBY GIVEN that the Annual General Meeting of shareholders of Hengan International Group Company Limited (the “Company”) will be held at Tianshan and Lushan Room, Level 5, Island Shangri-la, Pacific Place, Supreme Court Road, Central, Hong Kong on 22 May 2012 (Tuesday) at 10:00 a.m. for the following purposes:

1. To receive and consider the audited consolidated accounts and the reports of the directors and auditors for the year ended 31 December 2011;
2. To declare a final dividend for the year ended 31 December 2011;
3. To re-elect Mr. Sze Man Bok as an executive director;
4. To re-elect Mr. Hung Ching Shan as an executive director;
5. To re-elect Mr. Xu Da Zuo as an executive director;
6. To re-elect Mr. Loo Hong Shing Vincent as an executive director;
7. To authorise the board of directors to fix the remuneration of the directors;
8. To re-appoint auditors and authorise the board of directors to fix their remuneration;
9. To consider and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

“THAT:

- (a) subject to paragraph (c) below, the exercise by the directors of the Company during the Relevant Period of all the powers of the Company to allot, issue or otherwise deal with additional shares in the capital of the Company, and to make or grant offers, agreements and options (including warrants, bonds and debentures convertible into shares of the Company) which might require the exercise of such power, be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) above shall authorise the directors of the Company during the Relevant Period to make or grant offers, agreements and options (including warrants, bonds and debentures convertible into shares of the Company) which might require the exercise of such power after the end of the Relevant Period;

* for identification purposes only

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- (c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted by the directors of the Company pursuant to the approval in paragraph (a), otherwise than pursuant to (aa) Rights Issue; or (bb) the exercise of rights of subscription or conversion under the terms of any warrants or other securities issued by the Company carrying a right to subscribe for or purchase shares of the Company; or (cc) the exercise of any option under any share option scheme of the Company adopted by its shareholders for the grant or issue to participants of the Company and/or any of its subsidiaries of options to subscribe for or rights to acquire shares of the Company; or (dd) any scrip dividend or other similar scheme implemented in accordance with the Articles of Association of the Company, shall not exceed 20% of the total aggregate nominal amount of the share capital of the Company in issue as at the date of the passing of this Resolution and the said approval be limited accordingly; and
- (d) for the purpose of this Resolution, “Relevant Period” means the period from the date of the passing of this Resolution until whichever is the earliest of:
 - (i) the conclusion of the next annual general meeting of the Company; or
 - (ii) the expiration of the period within which the next annual general meeting of the Company is required by any applicable law or the Company’s articles of association to be held; or
 - (iii) the revocation or variation of the authority given under this Resolution by ordinary resolution of the shareholders in general meeting.”

“Rights Issue” means an offer of shares or other securities open for a period fixed by the directors of the Company to holders of shares on the Register of Members of the Company on a fixed recorded date in proportion to their then holdings of such shares (subject to such exclusion or other arrangements the directors of the Company may deem necessary or expedient in relation to fractional entitlements of having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory outside Hong Kong).

10. To consider and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

“THAT:

- (a) subject to sub-paragraph (b) of this Resolution, the exercise by the directors of the Company during the Relevant Period of all the powers of the Company to repurchase issued shares in the capital of the Company or any other rights to subscribe shares in the capital of the Company in each case on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) or on any other stock exchange on which the securities of the Company may be listed and recognised by the Securities and Futures Commission and the Stock Exchange for this purpose, subject to and in accordance with all applicable laws and the requirements of the Rules Governing the Listing of Securities on the Stock Exchange or any other stock exchange as amended from time to time, be and is hereby generally and unconditionally approved;

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- (b) the approval in paragraph (a) shall be in addition to any other authorization given to the directors of the Company and shall authorize the directors of the Company on behalf of the Company during the Relevant Period to procure the Company to purchase its securities at a price determined by the directors of the Company;
- (c) the aggregate nominal amount of the ordinary share capital of the Company or any other rights to subscribe shares in the capital of the Company in each case which the directors of the Company are authorised to repurchase pursuant to the approvals in sub-paragraphs (a) and (b) of this Resolution shall not exceed 10% of the aggregate nominal amount of the ordinary share capital of the Company in issue on the date of the passing of this Resolution and the said approval shall be limited accordingly; and
- (d) for the purpose of this Resolution, “Relevant Period” means the period from the date of the passing of this Resolution until whichever is the earliest of:
 - (i) the conclusion of the next annual general meeting of the Company; or
 - (ii) the expiration of the period within which the next annual general meeting of the Company is required by any applicable law or the articles of association of the Company to be held; or
 - (iii) the revocation or variation of the authority given under this Resolution by ordinary resolution of the shareholders in general meeting.”

11. To consider and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

“**THAT** the general mandate referred to in Resolution No. 9 above be and is hereby extended by the addition to the aggregate nominal amount of share capital which may be allotted and issued or agreed conditionally or unconditionally to be allotted and issued by the directors of the Company pursuant to such general mandate of an amount representing the aggregate nominal amount of share capital of the Company purchased by the Company since the granting of the general mandate referred to in Resolution No. 10 above and pursuant to the exercise by the directors of the powers of the Company to purchase such shares provided that such extended amount shall not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue on the date of the passing of this Resolution.”

12. To consider and, if thought fit, pass the following resolution as a special resolution:

- (a) **“THAT the Memorandum and Articles of Association of the Company be and are amended as follows:**

By deleting all references to “The Companies Law (1998 Revision)” and substituting therewith the reference “The Companies Law (2011 Revision)” in the Memorandum and Articles of Association of the Company.

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By deleting the existing Clause 2 of the Memorandum of Association of the Company in its entirety and substituting therewith the following new Clause 2:

The Registered Office of the Company shall be at the offices of Maples Corporate Services Limited, P.O. Box 309, Uglan House, Grand Cayman, KY1-1104, Cayman Islands or at such other place in the Cayman Islands as the Board may from time to time decide.

By deleting the reference to “Section 193” in the existing Clause 7 of the Memorandum of Association and substituting therewith the words “Section 174”.

By inserting the following new definitions in Article 2 of the Articles of Association:

the Company’s Website “the Company’s Website” shall mean the website of the Company, the address or domain name of which has been notified to members;

published on the Exchange’s website shall mean published in English and Chinese on the Exchange’s website in accordance with the Listing Rules;

By deleting the existing definitions of “writing or printing” and “Section 8 of the Electronic Transactions Law” in Article 2 of the Articles of Association and substituting therewith the following:

“writing” or “printing” shall include writing, printing, lithograph, photograph, type-writing and every other mode of representing words or figures in a legible and non-transitory form and, only where used in connection with a notice served by the Company on members or other persons entitled to receive notices hereunder, shall also include a record maintained in an electronic medium which is accessible in visible form so as to be useable for subsequent reference;

Section 8 of the Electronic Transactions Law Section 8 of the Electronic Transactions Law shall not apply.

By deleting the existing Articles 23, 28, 80, 83, 85, 96(b), 107(c), 133, 165 and 167(a) of the Articles of Association of the Company in its entirety and substituting therewith the following new Articles 23, 28, 80, 83, 85, 96(b), 107(c), 133, 165 and 167(a):

Application of proceeds of such sale 23. The net proceeds of such sale by the Company after the payment of the costs of such sale shall be applied in or towards payment or satisfaction of the debt or liability or engagement in respect whereof the lien exists, so far as the same is presently payable, and any residue shall (subject to a like lien for debts or liabilities not presently payable as existed upon the shares prior to the sale and upon surrender, if required by the Company, for cancellation of the certificate for the share sold) be paid to the holder immediately before such sale of the shares. For giving effect to any such sale, the Board may authorise any person to transfer the shares sold to the purchaser thereof

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and may enter the purchaser's name in the register as holder of the shares, and the purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.

**Notice of call may
be published in
newspapers or
given by
electronic means**

28. Notwithstanding Article 26, notice of the person appointed to receive payment of every call and of the times and places appointed for payment may be given to the members affected by notice published on the Exchange's website, or, subject to the Listing Rules, by electronic communication in the manner in which notices may be served by the Company by electronic means as herein provided or by advertisement published in the newspapers.

Must vote by poll

80. At any general meeting a resolution put to the vote of the meeting shall be decided on a poll save that the Chairman may, in good faith, allow a resolution which relates purely to a procedural or administrative matter as prescribed under the Listing Rules to be voted on by a show of hands.

**Chairman to
have casting vote**

83. In the case of an equality of votes, whether on a poll or on a show of hands, the Chairman of the meeting at which the poll or the show of hands is taken shall be entitled to a second or casting vote.

Votes of members

85. Subject to any special rights, privileges or restrictions as to voting for the time being attached to any class or classes of shares, at any general meeting where a show of hands is allowed, every member present in person (or, in the case of a member being a corporation, by its duly authorised representative) shall have one vote, and on a poll every member who is present in person (or, in the case of a member being a corporation, by its duly authorised representative) or by proxy shall have one vote for each share registered in his name in the register. On a poll a member entitled to more than one vote is under no obligation to cast all his votes in the same way. For the avoidance of doubt, where more than one proxy is appointed by a recognised clearing house (or its nominee(s)), each such proxy shall have one vote on a show of hands and is under no obligation to cast all his votes in the same way on a poll.

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96.(b) If a recognized clearing house (or its nominee) is a member of the Company it may appoint such person or persons as its proxy or proxies or, by resolution of its directors or other governing body or by power of attorney, authorise or appoint such person or persons as it thinks fit to act as its representative or representatives at any general meeting of the Company or at any general meeting of any class of members of the Company provided that, if more than one person is so authorised or appointed as a proxy, the authorisation or proxy form shall specify the number and class of shares in respect of which each such person is so authorised. A person so authorised or appointed pursuant to this provision shall be entitled to exercise the same powers on behalf of the recognised clearing house (or its nominee) which he represents as that recognised clearing house (or its nominee) could exercise if it were an individual member of the Company holding the number and class of shares specified in such authorization, including, where a show of hands is allowed, the right to vote individually on a show of hands, notwithstanding any contrary provision contained in these Articles.

**Director may not
vote where he has
a material interest**

107.(c) A Director shall not vote on any board resolution approving any contract or arrangement or any other proposal in which he or any of his associates (as defined in the Listing Rules from time to time) has a material interest nor shall he be counted in the quorum present at the same meeting, but this prohibition shall not apply to any of the following matters, namely:

**Director may vote
in respect of certain
matters**

- (i) the giving of any security or indemnity either:—
 - (aa) to the Director or his associate(s) in respect of money lent or obligations incurred or undertaken by him or any of them at the request of or for the benefit of the Company or any of its subsidiaries; or
 - (bb) to a third party in respect of a debt or obligation of the Company or any of its subsidiaries for which the Director or his associate(s) has himself/themselves assumed responsibility in whole or in part and whether alone or jointly under a guarantee or indemnity or by the giving of security;

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- (ii) any proposal concerning an offer of shares or debentures or other securities of or by the Company or any other company which the Company may promote or be interested in for subscription or purchase where the Director or his associate(s) is/are or is/are to be interested as a participant in the underwriting or sub underwriting of the offer;
- (iii) any proposal or arrangement concerning the benefit of employees of the Company or its subsidiaries including:—
 - (aa) the adoption, modification or operation of any employees' share scheme or any share incentive or share option scheme under which the Director or his associate(s) may benefit; or
 - (bb) the adoption, modification or operation of a pension or provident fund or retirement, death or disability benefits scheme which relates both to Directors, their associates and employees of the Company or any of its subsidiaries and does not provide in respect of any Director, or his associate(s), as such any privilege or advantage not generally accorded to the class of persons to which such scheme or fund relates; and
- (iv) any contract or arrangement in which the Director or his associate(s) is/are interested in the same manner as other holders of shares or debentures or other securities of the Company by virtue only of his/their interest in shares or debentures or other securities of the Company.

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- Directors' resolutions**
133. Unless required otherwise by the Listing Rules, a resolution in writing signed by each and every one of the Directors (or their respective alternates pursuant to Article 100(c)) in writing or by facsimile or other electronic means shall be as valid and effectual as if it had been passed at a meeting of the Board duly convened and held and may consist of several documents in like form each signed by one or more of the Directors or Alternate Directors. Notwithstanding the foregoing, a resolution in writing shall not be valid and effective if the resolution relates to any matter or business in which a member of the Company with a substantial shareholding in the Company, or a Director, has an interest conflicting with that of the Company which the Board determines, prior to the passing of such resolution, to be material.
- Appointment and remuneration of Auditors**
165. The Company shall at any annual general meeting appoint an auditor or auditors of the Company who shall hold office until the next annual general meeting. The removal of an Auditor before the expiration of his period of office shall require the approval of an ordinary resolution of the members in general meeting. The remuneration of the Auditors shall be fixed by the Company at the annual general meeting at which they are appointed provided that in respect of any particular year the Company in general meeting may delegate the fixing of such remuneration to the Board. No person may be appointed as the, or an, Auditor, unless he is independent of the Company. The Board may before the first annual general meeting appoint an auditor or auditors of the Company who shall hold office until the first annual general meeting unless previously removed by an ordinary resolution of the members in general meeting in which case the members at that meeting may appoint Auditors. The Board may fill any casual vacancy in the office of Auditor but while any such vacancy continues the surviving or continuing Auditor or Auditors, if any, may act. The remuneration of any Auditor appointed by the Board under this Article may be fixed by the Board.

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Notices Service of notices

167.(a) Except as otherwise provided in these Articles, any notice or document (including a share certificate) may be served by the Company or by the Board on any member either personally or by sending it through the post in a prepaid letter addressed to such member at his registered address as appearing in the register or, to the extent permitted by the Listing Rules and all applicable laws and regulations, including but not limited to electronic mail number or address or website supplied by the member to the Company or by making it available for examination by the member using electronic means, including the posting of such notice or document on the Company's Website, provided that if any such notice or document is to be sent or made available to any member by using electronic means, the Company and the Board must first have received from the relevant member (a) a written confirmation or (b) the member's deemed consent, in the manner specified in the Listing Rules that the member wants to receive or to have made available to him such notice or document by the electronic means that the Company and the Board have suggested or (in the case of notice) by advertisement published in the manner prescribed under the Listing Rules. In the case of joint holders of a share, all notices shall be given to that holder for the time being one of the joint holders whose name stands first in the register and notice so given shall be sufficient notice to all the joint holders.

By inserting the following new Article 83A immediately after the existing Article 82 of the Articles of Association of the Company:

83A. Where a resolution is voted on by a show of hands as permitted under the Listing Rules, a declaration by the Chairman that a resolution has been carried, or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the minute book of the Company shall be conclusive evidence of that fact without proof of the number or proportion of the votes recorded in favour of or against such resolution."

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13. To consider and, if thought fit, pass the following resolution as a special resolution:

“**THAT** subject to the passing of special resolution numbered 12 as set out in the notice convening this meeting, the memorandum and articles of association of the Company contained in the printed document, a copy of which has been produced to the meeting marked “A” and has been signed by the Chairman of the meeting for the purpose of identification, be and are hereby approved and adopted as the new memorandum and articles of association of the Company in substitution for the existing memorandum and articles of association of the Company.”

By order of the Board
Loo Hong Shing Vincent
Company Secretary

Hong Kong, 19 April 2012

Notes:

- (i) A member entitled to attend and vote at the above meeting is entitled to appoint one or more proxies (who must be an individual or individuals) to attend and vote instead of him. A proxy does not need to be a member of the Company.
- (ii) The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed, or a notarially certified copy of such power of attorney of authority, must be lodged with the Company’s share registrar, Tricor Abacus Limited, at 26th Floor, Tesbury Centre, 28 Queen’s Road East, Hong Kong for registration not less than 48 hours before the time appointed for holding the meeting and any adjourned meeting.
- (iii) For determining the entitlement to attend and vote at the AGM, the register of members of the Company will be closed from Friday, 18 May 2012 to Tuesday, 22 May 2012, both days inclusive, during which period no transfer of shares of the Company will be registered. In order to be eligible to attend and vote at the AGM, unregistered holders of shares of the Company should ensure that all the share transfer documents accompanied by the relevant share certificates must be lodged with the share registrar of the Company in Hong Kong, Tricor Abacus Limited, at 26th Floor, Tesbury Centre, 28 Queen’s Road East, Hong Kong, for registration not later than 4:30 p.m. on Thursday, 17 May 2012.
- (iv) For determining the entitlement to the proposed final dividend for the year ended 31 December 2011, the register of members of the Company will also be closed from Monday, 28 May 2012 to Tuesday, 29 May 2012, both days inclusive, during which period no transfer of shares of the Company will be registered. In order to qualify for entitlement to the proposed final dividend, unregistered holders of shares of the Company should ensure that all share transfer documents accompanied by the relevant share certificates must be lodged with the share registrar of the Company in Hong Kong, Tricor Abacus Limited, at 26th Floor, Tesbury Centre, 28 Queen’s Road East, Hong Kong, for registration not later than 4:30 p.m. on Friday, 25 May 2012.