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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
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 Thursday, 22 May 2014 at 10:00 a.m., is set out on pages 13 to 16 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.

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DEFINITIONS

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

“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 2013 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;
“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;
“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”	10 April 2014, 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;
“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

“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.



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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*

Mr. Ho Kwai Ching Mark

Mr. Zhou Fang Sheng

Registered Office:

P.O. Box 309,

Ugland House,

Grand Cayman,

KY1-1104,

British West Indies

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, 16 April 2014

To the Shareholders,

Dear Sir or Madam,

**GENERAL MANDATES TO ISSUE AND
REPURCHASE SHARES
RE-ELECTION OF RETIRING DIRECTORS
AND
NOTICE OF AGM**

1. INTRODUCTION

By ordinary resolutions of the Shareholders of Company passed on 23 May 2013, 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 in issue of the Company; (ii) to allot,

** for identification purposes only*

LETTER FROM THE BOARD

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.

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. 11 of the notice of AGM on pages 13 to 16 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. 10 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. 11) will be proposed as Resolution No. 12 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").

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

LETTER FROM THE BOARD

- (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 1,230,604,721 shares. Accordingly, the exercise of the Share Issuance Mandate in full would enable the Company to issue, allot or otherwise deal with additional 246,120,944 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 Da Zuo, Mr. Xu Chun Man, 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, Ms. Ada Ying Kay Wong, Mr. Ho Kwai Ching Mark and Mr. Zhou Fang Sheng as independent non-executive Directors.

Pursuant to the Article 116, Mr. Sze Man Bok, Mr. Hui Lin Chit, Mr. Xu Chun Man, Mr. Chan Henry and Ms. Ada Ying Kay Wong 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. CLOSURE OF REGISTER OF MEMBERS

(a) For determining the entitlement to attend and vote at the 2014 AGM

The AGM is scheduled to be held on Thursday, 22 May 2014. For determining the entitlement to attend and vote at the AGM, the register of members of the Company will be closed from Tuesday, 20 May 2014 to Thursday, 22 May 2014, 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 22nd Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong, for registration not later than 4:30 p.m. on Monday, 19 May 2014.

(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 2013, the register of members of the Company will also be closed from Wednesday, 28 May 2014 to Thursday, 29 May 2014, 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

LETTER FROM THE BOARD

accompanied by the relevant share certificates must be lodged with the share registrar of the Company in Hong Kong, Tricor Abacus Limited, at 22nd Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong, for registration not later than 4:30 p.m. on Tuesday, 27 May 2014.

6. 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 Thursday, 22 May 2014 at 10:00 a.m. The notice of AGM is set out on pages 13 to 16 of this circular. Resolutions in respect of the general mandates to repurchase and issue Shares and re-election of retiring Directors as referred to above will be proposed, amongst others, at the AGM.

7. 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 22nd Floor, Hopewell Centre, 183 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.

8. 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 2014.

9. RECOMMENDATION

The Directors believe the general mandates to repurchase and issue Shares, and re-election of retiring Directors 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.

10. 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 1,230,604,721 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 123,060,472 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 36.85% 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 40.94% 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\$)
2013		
April	80.40	74.75
May	89.30	79.40
June	85.90	74.05
July	85.50	77.00
August	88.60	82.30
September	94.50	83.25
October	95.00	89.00
November	99.70	87.00
December	98.50	89.65
2014		
January	91.70	77.00
February	85.85	81.00
March	84.50	76.00
April (up to the Latest Practicable Date)	85.05	79.85

(G) SHARE REPURCHASE MADE BY THE COMPANY

During the six months preceding the Latest Practicable Date, the Company had repurchased its Shares on the Stock Exchange as follows:

Date of repurchase	Number of shares repurchased	Highest price paid HK\$	Lowest price paid HK\$
28/03/2014	500,000	79.95	78.35
31/03/2014	280,000	79.95	78.65
	<u>780,000</u>		

MR. SZE MAN BOK

Mr. Sze Man Bok, aged 64, 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 and a member of the Nomination Committee 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\$557,000 for the year ended 31 December 2013, 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 228,804,599 Shares and held 20,000 options granted under the share option scheme adopted by the Company on 26 May 2011 to subscribe for 20,000 Shares of the Company within the meaning of Part XV of the SFO. Out of the 228,804,599, 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 575,600 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. HUI LIN CHIT

Mr. Hui Lin Chit, aged 60, is an Executive Director, the Deputy Chairman and Chief Executive Officer of the Group. He is responsible for strategic planning, human resources and the overall management of the Group. Mr. Hui is one of the founding shareholders of the Company, and is also a member of Nomination Committee and Remuneration Committee. Mr. Hui has the title of senior economist in the People's Republic of China ("PRC") and is a deputy chairman of All-China General Chamber of Industry and Commerce and also Political Consultative Conference in Quanzhou City. He is also the deputy chairman of Fujian Province Industry and Trade Association and the chairman of Quanzhou City Trade Association. During 1998 to 2012, Mr. Hui was a member of the Ninth, Tenth and Eleventh National Committee of the Chinese People's Political Consultative Conference. During 1997 to 2011, he was also a member of the Executive Committee (the Eighth) and Standing Committee (the Ninth), and deputy chairman (the Tenth) of All-China Federation of Industry and Commerce.

Mr. Hui 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 subject to retirement by rotation and re-election in accordance with the Articles. Mr. Hui received remuneration of approximately HK\$2,387,000 for the year ended 31 December 2013, which was determined with reference to his experience, responsibilities, performance and the Group's financial results.

Mr. Hui is the father of Mr. Hui Ching Chi, 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. Hui was interested in 224,669,751 Shares and held 148,000 shares options granted under the Share Option Scheme adopted by the Company on 26 May 2011 to subscribe for 148,000 Shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance ("SFO") ("Part XV of the SFO"). The 224,669,751 Shares were held by Credit Suisse Trust Limited, as trustee of The Hui Family Trust, being a discretionary trust established by Mr. Hui. He has not held any directorship in other listed companies in the last three years.

No public sanctions have been made against Mr. Hui 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. Hui 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. Hui 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 of Directors also considers that Mr. Hui, who has over 30 years of experience in the consumer product industry, is appropriate to be an Executive Director of the Company.

Save as disclosed above, Mr. Hui 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) in connection with his re-election.

MR. XU CHUN MAN

Mr. Xu Chun Man, aged 39, is responsible for the Group's overall business development strategy. He joined the Group after graduating from Fujian Jinjiang Vocational Institute in 1991. Mr. Xu has over 23 years of experience in business development and customer service management.

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. Mr. Xu received remuneration of approximately HK\$190,000 for the year ended 31 December 2013, which was determined with reference to his experience, responsibilities, performance and the Group's financial results.

Mr. Xu 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 14,915,621 Shares and held 20,000 shares options granted under the Share Option Scheme adopted by the Company on 26 May 2011 to subscribe for 20,000 Shares of the Company within the meaning of Part XV of the SFO. Out of 14,915,621, 11,700,000 Shares were held by HSBC International Trustee Limited, as trustee of Zhong Shen Trust, being a discretionary trust established by Mr. Xu. The remaining 3,215,621 Shares are held by Hengan International Investments Limited, a nominee Company holding Shares of the Company on behalf of certain directors and senior management of the Group and their family members. 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 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. Hui 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. Xu 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 of Directors also considers that Mr. Xu, who has over 23 years of experience in the consumer product industry, is appropriate to be 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) in connection with his re-election.

MR. CHAN HENRY

Mr. Chan Henry, aged 48, is an Independent Non-Executive Director of the Company. Mr. Chan is also a member of the Audit Committee, Nomination Committee and Remuneration Committee.

Mr. Chan has over 27 years of experience in the financial market and is the Managing Director of Sanfull Securities Limited. He was a Director of the Stock Exchange and was also a member of the Advisory Committee of the Securities and Futures Commission. Mr. Chan is currently the Permanent Honorary President of Hong Kong Stockbrokers Association Limited, a supervisory committee member of The Chinese Gold & Silver Exchange Society, an independent non-executive director of Luen Thai Holdings Limited, a company listed on the Main Board of the Stock Exchange which engages in the manufacturing and trading of garment and textile products. Mr. Chan is also a committee member of the Chinese People's Political Consultative Conference in Xiamen, Fujian Province, China. Mr. Chan holds a Master degree in Business Administration. He joined the Group in October 1998.

Mr. Chan has entered into a service agreement with the Company for a 3-year term expiring on 16 December 2014 subject to re-newal and extension. His directorship is subject to retirement by rotation and re-election in accordance with the Articles. Mr. Chan received remuneration of HK\$120,000 for the year ended 31 December 2013, which was determined with reference to his experience and responsibilities.

Mr. Chan does not have any relationship with any directors, senior management, substantial or controlling shareholder of the Company. As at the Latest Practicable Date, he did not have any interests in the Company pursuant to Part XV of the SFO.

Save as disclosed above, Mr. Chan 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) in connection with his re-election.

MS. ADA YING KAY WONG

Ms. Ada Ying Kay Wong, JP, aged 54, is an Independent Non-executive Director of the Company appointed in 1998, a member of the Audit Committee, Nomination Committee and Remuneration Committee.

Ms. Wong, a practicing solicitor, is a partner of Philip K. H. Wong, Kennedy Y. H. Wong & Co., Solicitors & Notaries. She is also a culture and creative education advocate. She is the supervisor of HKICC Lee Shau Kee School of Creativity and the council member of Hong Kong Shue Yan University. She was Chair of the Wanchai District Council (2004–2007), and is currently a member of the Consultation Panel of the West Kowloon Cultural District Authority, the Art Museum Advisory Panel and Board of the Hong Kong Design Centre. Currently, she is an independent non-executive director of Pak Fah Yeow International Limited, a company listed on the Main Board of the Stock Exchange. She joined the Group in October 1998.

Ms. Wong has entered into a service agreement with the Company for a 3-year term expiring on 16 December 2014 subject to re-newal and extension. Her directorship is subject to retirement by rotation and re-election in accordance with the Articles. Ms. Wong received remuneration of approximately HK\$120,000 for the year ended 31 December 2013, which was determined with reference to her experience and responsibilities.

Ms. Wong does not have any relationship with any directors, senior management, substantial or controlling shareholder of the Company. As at the Latest Practicable Date, Ms. Wong did not have any interests in the Company within the meaning of Part XV of SFO.

Save as disclosed above, Ms. Wong 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) in connection with her 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 2014 (Thursday) 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 2013;
2. To declare a final dividend for the year ended 31 December 2013;
3. To re-elect Mr. Sze Man Bok as an executive director;
4. To re-elect Mr. Hui Lin Chit as an executive director;
5. To re-elect Mr. Xu Chun Man as an executive director;
6. To re-elect Mr. Chan Henry as an independent non-executive director;
7. To re-elect Ms. Ada Ying Kay Wong as an independent non-executive director;
8. To authorise the board of directors to fix the remuneration of the directors;
9. To re-appoint auditors and authorise the board of directors to fix their remuneration;
10. 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;

** for identification purposes only*

NOTICE OF ANNUAL GENERAL MEETING

- (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;
- (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).

NOTICE OF ANNUAL GENERAL MEETING

11. 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;
- (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.”

NOTICE OF ANNUAL GENERAL MEETING

12. 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. 10 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. 11 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.”

By order of the Board
Loo Hong Shing Vincent
Company Secretary

Hong Kong, 16 April 2014

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 22nd Floor, Hopewell Centre, 183 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 Tuesday, 20 May 2014 to Thursday, 22 May 2014, 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 22nd Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong, for registration not later than 4:30 p.m. on Monday, 19 May 2014.
- (iv) For determining the entitlement to the proposed final dividend for the year ended 31 December 2013, the register of members of the Company will also be closed from Wednesday, 28 May 2014 to Thursday, 29 May 2014, 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 22nd Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong, for registration not later than 4:30 p.m. on Tuesday, 27 May 2014.