

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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.

A registered shareholder whose name is entered in the register of members of Hengan International Group Company Limited as the holder of share(s) for another beneficial shareholder should provide such beneficial shareholder with the information contained herein in compliance with applicable laws, regulations and other relevant requirements.

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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>

**(1) GENERAL MANDATES TO ISSUE AND
REPURCHASE SHARES
(2) RE-ELECTION OF RETIRING DIRECTORS
AND
(3) NOTICE OF AGM**

A letter from the Board is set out on pages 3 to 7 of this circular.

A notice convening the AGM of Hengan International Group Company Limited to be held at Taishan Room, Level 5, Island Shangri-la, Pacific Place, Supreme Court Road, Central, Hong Kong on Thursday, 17 May 2018 at 9:30 a.m., is set out on pages 15 to 18 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 Taishan Room, Level 5, Island Shangri-la, Pacific Place, Supreme Court Road, Central, Hong Kong on 17 May 2018 at 9:30 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 (2018 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;
“Hui Family Trust”	the family trust of which Mr. Hui Lin Chit is settlor and beneficiary;
“Latest Practicable Date”	4 April 2018, 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;
“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;
“Sze’s Family Trust”	the family trust of which Mr. Sze Man Bok is settlor and beneficiary;
“Takeovers Code”	the Code on Takeovers and Mergers issued 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. Li Wai Leung

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

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

Place of Business in Hong Kong:

Unit 2101D, 21st Floor,

Admiralty Centre, Tower 1,

18 Harcourt Road,

Hong Kong

Hong Kong, 13 April 2018

To the Shareholders,

Dear Sir or Madam,

**(1) GENERAL MANDATES TO ISSUE AND
REPURCHASE SHARES
(2) RE-ELECTION OF RETIRING DIRECTORS
AND
(3) NOTICE OF AGM**

1. INTRODUCTION

(a) General mandates to issue and repurchase Shares

By ordinary resolutions of the Shareholders of Company passed on 17 May 2017, general mandates were granted to the Directors (i) to repurchase, on the Stock

** for identification purposes only*

LETTER FROM THE BOARD

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, issue or otherwise deal with Shares up to a maximum of 20% of the total of the 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.

(b) Re-election of retiring Directors

Pursuant to 116 of the Articles of Association and the Corporate Governance Code set out in Appendix 14 to the Listing Rules, Mr. Xu Shui Shen, Mr. Xu Da Zuo, Mr. Sze Wong Kim, Mr. Xu Ching Chi and Ms. Ada Ying Kay Wong shall retire from office at the AGM and each of them is eligible for re-election. It is therefore proposed to seek your approval at the AGM to re-elect the aforesaid Directors.

The purpose of this circular is to give you, amongst other things, further information reasonably necessary to enable you 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 15 to 18 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 authorising 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.

LETTER FROM THE BOARD

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 the resolution until the earliest of:

- (a) the conclusion of the next annual general meeting of the Company; or
- (b) 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
- (c) the revocation or variation of the authority given under the resolution by ordinary resolution of the Shareholders in general meeting.

As at the Latest Practicable Date, the number of Shares in issue was 1,206,193,917 shares. Accordingly, the exercise of the Share Issuance Mandate in full would enable the Company to issue, allot or otherwise deal with an additional 241,238,783 Shares.

4. RE-ELECTION OF RETIRING DIRECTORS

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

Pursuant to Article 116 of the Articles of Association and the Corporate Governance Code set out in Appendix 14 to the Listing Rules, Mr. Xu Shui Shen, Mr. Xu Da Zuo, Mr. Sze Wong Kim, Mr. Hui Ching Chi and Ms. Ada Ying Kay Wong shall retire from office at the AGM and each of them is eligible for re-election.

Pursuant to the code provision in paragraph A.4.3 of the Corporate Governance Code set out in Appendix 14 to the Listing Rules, any further appointment of an independent non-executive director serving more than nine years should be subject to a separate resolution to be approved by shareholders. Ms. Ada Ying Kay Wong has served on the Board for more than nine years. The Board considers that Ms. Wong is independent of management and free of any relationship which could materially interfere with the

LETTER FROM THE BOARD

exercise of her independent judgment. The Board has assessed and reviewed the annual confirmation of independence based on the criteria set out in Rule 3.13 of the Listing Rules, and affirmed that Ms. Wong remains independent. Hence, the Board considers that the long service of Ms. Wong would not affect his exercise of independent judgment in his service with the Company, and recommends Ms. Wong for re-election as an independent non-executive Director at the AGM.

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 2018 AGM

The AGM is scheduled to be held on Thursday, 17 May 2018. For determining the entitlement to attend and vote at the AGM, the register of members of the Company will be closed from Monday, 14 May 2018 to Thursday, 17 May 2018, 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 branch 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 Friday, 11 May 2018.

(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 2017, the register of members of the Company will also be closed from Thursday, 24 May 2018 to Friday, 25 May 2018, 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 branch 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 Wednesday, 23 May 2018.

6. ANNUAL GENERAL MEETING

The AGM will be held at Taishan Room, Level 5, Island Shangri-la, Pacific Place, Supreme Court Road, Central, Hong Kong on Thursday, 17 May 2018 at 9:30 a.m. The notice of AGM is set out on pages 15 to 18 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.

LETTER FROM THE BOARD

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 branch 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 17 May 2018.

9. RECOMMENDATION

The Directors believe the general mandates to repurchase and issue Shares and the 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 1,206,193,917 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 120,619,391 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 476,160,350 Shares, representing approximately 39.48% of the total issued share capital of the Company, which 475,584,750 Shares 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, and 575,600 Shares were personally held by Mr. Sze.

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 43.86% 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\$
2017		
April	59.80	57.40
May	58.70	54.65
June	60.75	52.80
July	61.80	57.20
August	67.65	59.55
September	72.55	64.80
October	78.50	72.85
November	80.60	73.05
December	88.70	74.00
2018		
January	88.50	75.00
February	78.55	71.60
March	79.40	70.00
April (up to the Latest Practicable Date)	79.60	73.70

(G) SHARE REPURCHASE MADE BY THE COMPANY

During the six months preceding the Latest Practicable Date, the Company had not repurchased any of its Shares on the Stock Exchange.

MR. XU SHUI SHEN

Mr. Xu Shui Shen, aged 48, the Chief Operating Officer of the Group. In August 2017, he was appointed as the Chief Executive Officer of Operation Service Centre and Sales Director. He is responsible for the development, implementation of the Group's sales strategy, operation, business management and supervision of the operations of the Operation Service Centre. He joined the Group in 1985 and has over 33 years of experience in operation management and business development. He graduated from business administration department in the HuaQiao University and holds the title of economist in the PRC. Mr. Xu is a younger brother of Mr. Xu Da Zuo, a Director of the Company.

Save as disclosed above, he is not connected with any other directors, senior management, substantial or controlling shareholders of the Company. As at the Latest Practicable Date Mr. Xu has personal and family interests of 33,030 shares and 180,000 share options granted under the Share Option Scheme adopted by the Company on 26 May 2011 to subscribe for 110,000 Shares of 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.

Mr. Xu has entered into a service contract with the Company for an initial term of three years and continuing thereafter on an annual basis until terminated by not less than three months' notice in writing served by either party. His directorship is subject to retirement by rotation and re-election in accordance with the Articles of Association. Mr. Xu received remuneration of RMB1,525,429 for the year ended 31 December 2017, which was determined with reference to his experience, responsibilities, performance and the Group's financial results.

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)(h) to (v) in connection with his re-election.

MR. XU DA ZUO

Mr. Xu Da Zuo, aged 51, was appointed as the Chief Financial Officer of the Group on 30 November 2016 and appointed as Chief Executive Officer of Services Sharing Centre (in charge of Finance Department, Asset and Property Management Department and Information System Department) appointed in August 2017. Joining the Group in 1985, Mr. Xu has over 33 years of experience in accounting and internal audit. He has the title of senior accountant in the PRC. He is an elder brother of Mr. Xu Shui Shen, a Director of the Company.

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 RMB792,335 for the year ended 31 December 2017, which was determined with reference to his experience, responsibilities, performance and the Group's financial results.

APPENDIX II DETAILS OF RETIRING DIRECTORS PROPOSED FOR RE-ELECTION

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 and held 108,000 shares options granted under the Share Option Scheme adopted by the Company on 26 May 2011 to subscribe for 108,000 Shares of the Company 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 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. Xu 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 also considers that Mr. Xu, 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. 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. SZE WONG KIM

Mr. Sze Wong Kim, aged 42, is responsible for overall strategy of the Group. Before joining the Group on 1 June 2010, Mr. Sze worked in two accountancy firms in Australia and gained extensive experience in assurance and business advisory work. He started his own business in 2005 on wholesale and distribution of branded electronic components and computer accessories products in Hong Kong and overseas markets. Mr. Sze graduated from the University of Technology, Sydney with a Bachelor Degree of Business majoring in accounting and obtained a Master Degree of Commerce in finance from the University of New South Wales, Australia. He was appointed as the Company Secretary and authorised representative of the Company on 30 November 2016 and resigned on 3 January 2017. He is a member of CPA Australia and a fellow member of the Hong Kong Institute of Certified Public Accountants. He is the son of Mr. Sze Man Bok, the Chairman and a Director of the Company.

Save as disclosed above, he is not connected with any other directors, senior management, substantial or controlling shareholders of the Company. As at the Latest Practicable Date, Mr. Sze has personal interests of 151,700 shares and 20,000 share 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. He has not held any directorship in other listed companies in the last three years.

Mr. Sze has entered into a service contract with the Company for an initial term of three years and continuing thereafter on an annual basis until terminated by not less than three months' notice in writing served by either party. His directorship is subject to retirement by rotation and re-election in accordance with the Articles of Association. Mr. Sze received remuneration of RMB54,495 for the year ended 31 December 2017, which was determined with reference to his experience, responsibilities, performance and the Group's financial results.

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)(h) to (v) in connection with his re-election.

MR. HUI CHING CHI

Mr. Hui Ching Chi, aged 33. He was appointed as Operation Management Department Director and also as the Deputy Chief Executive Officer of Operation Service Centre in August 2017, responsible for supervising and implementing the operations of the Operation Service Centre (including but not limited to sales services, procurement, production, logistic coordination management etc) and the Operations Service Centre business management. He was the Director of Supply Chain Management of the Group from 2015 to 2016, was responsible for the overall strategy relating to the Group's planning and purchasing of raw materials and logistic management. Mr. Hui worked in a major international bank in London prior to joining the Group in February 2008. Mr. Hui holds a Law Degree from the London University. He is a son of Mr. Hui Lin Chit, the Chief Executive Officer and a Substantial shareholder of the Company. Mr. Hui was appointed as executive director of Wang Zeng Berhad on 25 September 2017.

Save as disclosed above, he is not connected with any other directors, senior management, substantial or controlling shareholders of the Company. As at the Latest Practicable Date, Mr. Hui has personal interests of 40,000 shares and 20,000 share 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. He has not held any directorship in other listed companies in the last three years.

Mr. Hui has entered into a service contract with the Company for an initial term of three years and continuing thereafter on an annual basis until terminated by not less than three months' notice in writing served by either party. His directorship is subject to retirement by rotation and re-election in accordance with the Articles of Association. Mr. Hui received remuneration of approximately RMB588,214 for the year ended 31 December 2017, which was determined with reference to his experience, responsibilities, performance and the Group's financial results.

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)(h) to (v) in connection with his re-election.

MS. ADA YING KAY WONG

Ms. Ada Ying Kay Wong, JP, aged 58, is an Independent Non-executive Director of the Company appointed in 1998. She is also 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 Museum Advisory Committee and Art Sub-committee, Museum Advisory Committee. 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.

Ms. Wong has entered into a service agreement with the Company for a 3-year term expiring on 15 December 2020 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 RMB103,800 for the year ended 31 December 2017, which was determined with reference to her experience, responsibilities and performance.

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*

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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 Taishan Rooms, Level 5, Island Shangri-la, Pacific Place, Supreme Court Road, Central, Hong Kong on 17 May 2018 (Thursday) at 9:30 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 2017;
2. To declare a final dividend for the year ended 31 December 2017;
3. To re-elect Mr. Xu Shui Shen as an executive director;
4. To re-elect Mr. Xu Da Zuo as an executive director;
5. To re-elect Mr. Sze Wong Kim as an executive director;
6. To re-elect Mr. Hui Ching Chi as an 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)."

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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
Li Wai Leung
Company Secretary

Hong Kong, 13 April 2018

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 branch 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 Monday, 14 May 2018 to Thursday, 17 May 2018, 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 branch 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 Friday, 11 May 2018.
- (iv) For determining the entitlement to the proposed final dividend for the year ended 31 December 2017, the register of members of the Company will also be closed from Thursday, 24 May 2018 to Friday, 25 May 2018, 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 branch 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 Wednesday, 23 May 2018.