

If you are in doubt as to any aspect of this circular, 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 of Hidili Industry International Development Limited, you should at once hand this circular and the accompanying form of proxy to the purchaser or the transferee or to the bank, stockbroker or other agent through whom the sale or the transfer was effected for transmission to the purchaser or the transferee.

The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this document, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this document.



Hidili Industry International Development Limited

恒鼎實業國際發展有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1393)

- (1) PROPOSED GRANT OF GENERAL MANDATES TO ISSUE NEW SHARES AND REPURCHASE SHARES BY THE COMPANY;
(2) PROPOSED RE-ELECTION OF DIRECTORS; AND
(3) NOTICE OF ANNUAL GENERAL MEETING**

A notice convening an annual general meeting of the Company to be held at Mandarin Oriental, 5 Connaught Road Central, Hong Kong on Wednesday, 18 June 2008 at 10:30 a.m. is set out on pages 14 to 17 of this circular. A form of proxy for use at the annual general meeting is also enclosed with this circular. Such form of proxy is also published on the website of The Stock Exchange of Hong Kong Limited at www.hkex.com.hk.

Whether or not you are able to attend the annual general meeting, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and deposit the same at the Company's branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-16, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the annual general meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the annual general meeting or any adjournment thereof should you so wish.

CONTENTS

	<i>Page</i>
DEFINITIONS	1
LETTER FROM THE BOARD	
1. INTRODUCTION	3
2. GENERAL MANDATE TO ISSUE NEW SHARES	3
3. GENERAL MANDATE TO REPURCHASE SHARES	4
4. RE-ELECTION OF RETIRING DIRECTORS	5
5. AGM	5
6. PROXY ARRANGEMENT	5
7. RIGHT TO DEMAND A POLL	5
8. RESPONSIBILITY STATEMENT	6
9. RECOMMENDATION	6
APPENDIX I — EXPLANATORY STATEMENT	
1. LISTING RULES RELATING TO THE REPURCHASE OF SHARES	7
2. SHAREHOLDERS' APPROVAL	7
3. THE REPURCHASE PROPOSAL	7
4. REASONS FOR REPURCHASE	7
5. FUNDING OF REPURCHASE	7
6. SHARE PRICES	8
7. GENERAL INFORMATION AND UNDERTAKINGS	8
8. TAKEOVERS CODE	9
9. SHARES PURCHASED BY THE COMPANY	9
APPENDIX II — DETAILS OF DIRECTORS PROPOSED TO BE RE-ELECTED AT THE AGM	10
NOTICE OF AGM	14

DEFINITIONS

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

“AGM”	the annual general meeting of the Company to be held at Mandarin Oriental, 5 Connaught Road Central, Hong Kong on Wednesday, 18 June 2008 at 10:30 a.m. or any adjournment thereof
“AGM Notice”	notice convening the AGM as set out on pages 14 to 17 of this circular
“Articles”	the articles of association of the Company
“associate(s)”	has the same meaning as ascribed thereto under the Listing Rules
“Board”	the board of Directors
“Company”	Hidili Industry International Development Limited 恒鼎實業國際發展有限公司, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the main board of the Stock Exchange
“Director(s)”	director(s) of the Company
“General Mandates”	the Share Issue Mandate and the Share Repurchase Mandate
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Latest Practicable Date”	20 May 2008, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Ordinary Resolution(s)”	the proposed ordinary resolution(s) as referred to in the AGM Notice
“PRC”	the People’s Republic of China which, for the purpose of this circular, excludes Hong Kong, the Macau Special Administrative Region and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)

DEFINITIONS

“Share(s)”	the share(s) of HK\$0.10 each in the capital of the Company (or of such nominal amount as shall result from a sub-division, consolidation, reclassification or reconstruction of the share capital of the Company from time to time)
“Share Issue Mandate”	the proposed general mandate to be granted to the Directors to allot, issue and deal with Shares with an aggregate nominal value not exceeding 20% of the share capital of the Company in issue as at the date of passing of the relevant resolution granting such mandate
“Share Repurchase Mandate”	the proposed general mandate to be granted to the Directors to permit the repurchase of Shares of up to a maximum of 10% of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing of the relevant resolution granting such mandate
“Shareholder(s)”	the holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	Hong Kong Code on Takeovers and Mergers
“%”	per cent.



Hidili Industry International Development Limited

恒鼎實業國際發展有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1393)

Executive Directors:

Mr. Xian Yang (*Chairman*)

Mr. Sun Jiankun

Mr. Wang Rong

Non-Executive Director:

Mr. Tsang Kwong Yue Conrad

Independent non-executive Directors:

Mr. Chan Chi Hing

Mr. Wang Zhiguo

Mr. Huang Rongsheng

Registered office:

Cricket Square

Hutchins Drive

P.O. Box 2681

Grand Cayman KY1-1111

Cayman Islands

Head office:

16th Floor, Dingli Mansion

No. 81 Renmin Road

Panzhuhua

Sichuan 617000

The PRC

23 May 2008

To the Shareholders

Dear Sir/Madam,

- (1) PROPOSED GRANT OF GENERAL MANDATES TO ISSUE NEW SHARES AND REPURCHASE SHARES BY THE COMPANY;
(2) PROPOSED RE-ELECTION OF DIRECTORS; AND
(3) NOTICE OF ANNUAL GENERAL MEETING**

1. INTRODUCTION

The purpose of this circular is to provide the Shareholders with information in relation to the resolutions to be proposed at the AGM in respect of the Share Issue Mandate, the Share Repurchase Mandate and the proposed re-election of the retiring Directors and to seek the Shareholders' approval of the resolutions relating to these matters at the AGM.

2. GENERAL MANDATE TO ISSUE NEW SHARES

At the AGM, Ordinary Resolution No. 11 will be proposed for the Shareholders to consider and, if thought fit, approve a general mandate to the Directors to exercise the power of the Company to allot, issue and deal with new Shares during the period as set out in Ordinary Resolution No. 11 up to 20% of the issued share capital of the Company as at the date of passing Ordinary Resolution No. 11. In

LETTER FROM THE BOARD

addition, Ordinary Resolution No. 13 will also be proposed for the Shareholders to consider and, if thought fit, approve the extension of the Share Issue Mandate by adding to the aggregate number of Shares which are allotted or agreed conditionally or unconditionally to be allotted by the Directors pursuant to the Share Issue Mandate, the number of Shares purchased under the Share Repurchase Mandate, if granted.

As at the Latest Practicable Date, the issued share capital of the Company comprised 2,060,000,000 fully paid up Shares. Assuming that there is no change in the issued share capital of the Company between the period of the Latest Practicable Date and the date of passing the resolution approving the Share Issue Mandate, the maximum number of Shares which may be allotted and issued pursuant to the Share Issue Mandate on the date of passing the resolution approving the Share Issue Mandate will be 412,000,000 Shares.

Details of the Share Issue Mandate and the extension of the Share Issue Mandate are set out in Ordinary Resolutions Nos. 11 and 13 as referred to in the AGM Notice. These mandates will expire upon the earliest of:

- (a) the conclusion of the next annual general meeting of the Company;
- (b) the expiration of the period within which the next annual general meeting of the Company is required by the Articles, or any other applicable laws to be held; and
- (c) the date on which the authority given under Ordinary Resolutions Nos. 11 and 13 respectively is revoked or varied by an ordinary resolution of the Shareholders.

3. GENERAL MANDATE TO REPURCHASE SHARES

At the AGM, Ordinary Resolution No. 12 will be proposed for the Shareholders to consider and, if thought fit, approve a general mandate to the Directors to exercise the power of the Company to repurchase Shares during the period as set out in Ordinary Resolution No. 12 up to 10% of the issued share capital of the Company as at the date of passing Ordinary Resolution No. 12. The Shares which may be repurchased pursuant to the Share Repurchase Mandate is up to 10% of the issued share capital of the Company on the date of passing the resolution approving the Share Repurchase Mandate.

As at the Latest Practicable Date, the issued share capital of the Company comprised 2,060,000,000 fully paid up Shares. Assuming that there is no change in the issued share capital of the Company between the period of the Latest Practicable Date and the date of passing the resolution approving the Share Repurchase Mandate, the maximum number of Shares which may be repurchased pursuant to the Share Repurchase Mandate on the date of passing the resolution approving the Share Repurchase Mandate will be 206,000,000 Shares.

An explanatory statement as required under Rule 10.06 of the Listing Rules, giving certain information regarding the Share Repurchase Mandate, is set out in Appendix I to this circular. The Share Repurchase Mandate will expire upon the earliest of:

- (a) the conclusion of the next annual general meeting of the Company;

LETTER FROM THE BOARD

- (b) the expiration of the period within which the next annual general meeting of the Company is required by the Articles, or any other applicable laws to be held; and
- (c) the date on which the authority given under Ordinary Resolution No. 12 is revoked or varied by an ordinary resolution of the Shareholders.

4. RE-ELECTION OF RETIRING DIRECTORS

According to Article 86(3), all the Directors appointed by the Board during the year shall only hold office until the AGM but such Directors are eligible for re-election at the AGM.

In accordance with Article 86(3), all Directors shall retire from their offices as Directors. Being eligible, Mr. Xian Yang, Mr. Sun Jiankun and Mr. Wang Rong shall offer themselves for re-election as executive Directors, and Mr. Chan Chi Hing, Mr. Huang Rongsheng and Mr. Wang Zhiguo shall offer themselves for re-election as independent non-executive Directors. Mr. Tsang Kwong Yue Conrad shall not offer himself for re-election. At the AGM, ordinary resolutions will be proposed to re-elect Mr. Xian Yang, Mr. Sun Jiankun and Mr. Wang Rong as executive Directors and Mr. Chan Chi Hing, Mr. Huang Rongsheng and Mr. Wang Zhiguo as independent non-executive Directors.

Particulars of Mr. Xian Yang, Mr. Sun Jiankun, Mr. Wang Rong, Mr. Chan Chi Hing, Mr. Huang Rongsheng and Mr. Wang Zhiguo are set out in Appendix II to this circular.

5. AGM

Set out on pages 14 to 17 of this circular is the AGM Notice convening the AGM at which, among other things, resolutions will be proposed to approve the Share Issue Mandate, the Share Repurchase Mandate and the re-election of retiring Directors.

6. PROXY ARRANGEMENT

A form of proxy for use at the AGM is enclosed with this circular. To be valid, the form of proxy must be completed in accordance with the instructions printed thereon and deposited, together with the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of such power of attorney or authority, at the Company's branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-16, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not later than 48 hours before the time appointed for holding the AGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the AGM or any adjournment thereof should you so wish.

7. RIGHT TO DEMAND A POLL

Pursuant to Article 66 of the Articles, at any general meeting a resolution put to the vote of a meeting shall be decided on a show of hands unless voting by way of a poll (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) is demanded. A poll may be demanded:

- (a) by the chairman of such meeting; or

LETTER FROM THE BOARD

- (b) by at least three Shareholders present in person or in the case of a Shareholder being a corporation by its duly authorised representative or by proxy for the time being entitled to vote at the meeting; or
- (c) by a Shareholder or Shareholders present in person or in the case of a Shareholder being a corporation by its duly authorised representative or by proxy and representing not less than one-tenth of the total voting rights of all Shareholders having the right to vote at the meeting; or
- (d) by a Shareholder or Shareholders present in person or in the case of a Shareholder being a corporation by its duly authorised representative or by proxy and holding shares in the Company conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all shares conferring that right; or
- (e) if required by the Listing Rules, by any Director or Directors who, individually or collectively, hold proxies in respect of shares representing five per cent. (5%) or more of the total voting rights at the AGM.

8. RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries, that, to the best of their knowledge and belief, there are no other facts, the omission of which would make any statement in this circular misleading.

9. RECOMMENDATION

The Directors believe that the grant of the Share Issue Mandate and the Share Repurchase Mandate and the re-election of the retiring Directors are all in the best interests of the Company and the Shareholders. Accordingly, the Directors recommend all Shareholders to vote in favour of the relevant resolutions at the AGM.

Yours faithfully,
For and on behalf of the Board
Xian Yang
Chairman

This Appendix serves as an explanatory statement, as required by the Listing Rules, to provide all the information in relation to the Share Repurchase Mandate for your consideration.

1. LISTING RULES RELATING TO THE REPURCHASE OF SHARES

The Listing Rules permit companies with a primary listing on the main board of the Stock Exchange to purchase their securities subject to certain restrictions.

2. SHAREHOLDERS' APPROVAL

All proposed repurchases of securities on the Stock Exchange by a company with its primary listing on the Stock Exchange must be approved in advance by an ordinary resolution, either by way of a general mandate or by a specific approval of a particular transaction.

3. THE REPURCHASE PROPOSAL

The resolution set out as Ordinary Resolution No. 12 relates to the granting of a general and unconditional mandate to the Directors to repurchase, on the Stock Exchange or any other stock exchange on which the shares of the Company may be listed and recognised by The Securities and Futures Commission of Hong Kong, Shares up to a maximum of 10% of the issued share capital of the Company as at the date of the passing of the relevant resolution.

As at the Latest Practicable Date, there were 2,060,000,000 Shares in issue and they were all fully paid up. Subject to the passing of the resolution granting the Share Repurchase Mandate and on the basis that no further Shares are issued or repurchased before the AGM, the Company will be allowed to repurchase a maximum of 206,000,000 Shares during the period ending on the earliest of the conclusion of the next annual general meeting of the Company; the expiration of the period within which the next annual general meeting of the Company is required by any applicable laws or the Articles to be held; or the date on which such authority is revoked or varied by an ordinary resolution of the Shareholders in general meeting.

4. REASONS FOR REPURCHASE

Although the Directors have no present intention of repurchasing the Shares, they believe that it is in the interests of the Company and the Shareholders for the Directors to have a general authority from the Shareholders to enable the Company to repurchase Shares on the market. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net assets value of the Company and/or its earnings per Share and will only be made when the Directors believe that such repurchases will benefit the Company and the Shareholders.

5. FUNDING OF REPURCHASE

In repurchasing Shares, the Company may only apply funds legally available for such purpose in accordance with the memorandum of association of the Company and the Articles and the applicable laws and regulations of the Cayman Islands.

It is presently proposed that any purchase of the Shares would be made out of profits of the Company or the proceeds of a fresh issue made for the purchase or out of capital provided that on the day immediately following the date of repurchase the Company is able to pay its debts as they fall due in the ordinary course of business.

As compared with the financial position of the Company as at 31 December 2007 (being the date of its latest audited accounts), the Directors consider that there is no material adverse impact on the working capital or gearing position of the Company if the Share Repurchase Mandate is exercised in full during the proposed repurchase period. However, the Directors do not intend to exercise the Share Repurchase Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital or the gearing level (as compared with the position disclosed in its most recent published audited accounts) which in the opinion of the Directors are from time to time appropriate for the Company.

6. SHARE PRICES

From September 2007 (the listing of the Shares on the Stock Exchange) to the Latest Practicable Date, the highest and lowest prices at which the Shares have been traded on the Stock Exchange were as follows:

Month	Price Per Share	
	Highest HK\$	Lowest HK\$
2007		
September	12.50	11.04
October	16.04	11.34
November	11.98	7.80
December	12.40	9.50
2008		
January	12.68	8.00
February	14.00	10.50
March	13.46	7.77
April	13.00	9.76
May (up to the Latest Practicable Date)	13.38	11.00

7. GENERAL INFORMATION AND UNDERTAKINGS

None of the Directors nor, to the best of their knowledge having made all reasonable enquires, any of their associates (as defined in the Listing Rules), has any present intention to sell any Shares to the Company or any of its subsidiaries, if the Share Repurchase Mandate is approved by the Shareholders.

No connected person (as defined in the Listing Rules) has notified the Company that he has a present intention to sell any Shares to the Company, or has undertaken not to do so, if the Share Repurchase Mandate is approved by the Shareholders.

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 Listing Rules, the applicable laws of the Cayman Islands and the memorandum of association of the Company and the Articles.

8. TAKEOVERS CODE

If as a result of a repurchase of Shares, 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 the Takeovers Code.

Accordingly, 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 Rules 26 and 32 of the Takeovers Code.

As at the Latest Practicable Date, Sanlian Investment Holding Limited being the substantial Shareholder (as defined in the Listing Rules) of the Company, together with its associates, was beneficially interested in 1,150,000,000 Shares representing approximately 55.8% of the issued share capital of the Company. In the event that the Directors exercise the Share Repurchase Mandate in full in accordance with the terms of Ordinary Resolution No. 12 to be proposed at the AGM, the interests of Sanlian Investment Holding Limited, together with its associates, in the Company would be increased to approximately 62.0% of the issued share capital of the Company, which will not give rise to an obligation to make a mandatory offer under Rules 26 and 32 of the Takeovers Code.

The Directors have no intention to exercise the Share Repurchase Mandate to an extent as would result in an obligation to make a mandatory offer under Rules 26 and 32 of the Takeovers Code. Save as the above, the Directors are not aware of any consequences which would arise under the Takeovers Code as a consequence of any repurchases pursuant to the Share Repurchase Mandate.

9. SHARES PURCHASED BY THE COMPANY

No purchases of Shares have been made by the Company in the previous six months, whether on the Stock Exchange or otherwise.

The details of the Directors who will retire from office at the AGM and being eligible, will offer themselves for re-election at the AGM, are set out below:

EXECUTIVE DIRECTORS**Mr. XIAN Yang (鮮揚)**

Mr. Xian, aged 34, is an executive Director and our founder, chairman and president. Mr. Xian graduated from The People's Police School of Sichuan (四川省人民警察學校) in 1994, studied law in Southwest University of Political Science and Law (西南政法大學) from 1994 to 1997 and is studying MBA courses at Sichuan University (四川大學). He worked in the police force and Customs Bureau of Panzhihua City prior to establishing our Group in May 2000. He was awarded a Grade Three Achievement (三等功) by the Ministry of Public Security for his distinguished service. He is responsible for the overall management and business development of our Group. He also chairs our Group's investment management committee and production safety committee. Mr. Xian is a cousin of Mr. Xian Qingping and a brother of Mr. Xian Fan, both of whom are members of our senior management. Mr. Xian is also a director of Sanlian Investment Holding Limited, a company which holds approximately 55.8% of the issued share capital of the Company.

Mr. Xian has entered into a service contract with the Company on 25 August 2007 for a term of three years. His appointment is subject to normal retirement and re-election at the annual general meeting by the Shareholders pursuant to the Articles. He is entitled to an annual emolument of RMB200,000 per annum being determined with reference to his duties and responsibilities with the Company.

Save as disclosed above, Mr. Xian does not have any relationship with any other Directors, senior management or substantial or controlling Shareholders.

Mr. Xian holds no directorships in any public listed companies in the past three years.

Save as disclosed above, there are no other matters concerning Mr. Xian that need to be brought to the attention of the Shareholders and there is no other information which is discloseable pursuant to any of the requirements set out in Rule 13.51(2) of the Listing Rules.

Mr. SUN Jiankun (孫建坤)

Mr. Sun, aged 44, is an executive Director and our Chief Operating Officer. He is a senior engineer and graduated from East China University of Metallurgy (華東冶金學院) (now known as Anhui University of Technology (安徽工業大學)) in 1986 with a bachelor's degree in steel metallurgy. Mr. Sun is responsible for the management of day-to-day operations and development of our operations in Panzhihua. He is also the vice chairman of our production safety committee. Prior to joining us in December 2006, Mr. Sun worked at Panzhihua Steel Group since 1986 and accumulated broad experience in steel production, quality control and raw material procurement. He served as the vice general manager of Chengdu Steel Company, a subsidiary of Panzhihua Steel Group, from 2003 to 2006 and the vice general manager of Panzhihua New Steel & Vanadium Co., Ltd. (攀枝花新鋼鈮股份有限公司), a Shenzhen Stock Exchange listed company, from 2002 to 2003.

Mr. Sun has entered into a service contract with the Company on 25 August 2007 for a term of three years. His appointment is subject to normal retirement and re-election at the annual general meeting by the Shareholders pursuant to the Articles. He is entitled to an annual emolument of RMB200,000 per annum being determined with reference to his duties and responsibilities with the Company.

Mr. Sun does not have any relationship with any other Directors, senior management or substantial or controlling Shareholders. As at the Latest Practicable Date, Mr. Sun did not have any interest in the Shares or underlying shares of the Company within the meaning of Part XV of SFO.

Save as disclosed above, Mr. Sun holds no directorships in any public listed companies in the past three years.

There are no other matters concerning Mr. Sun that need to be brought to the attention of the Shareholders and there is no other information which is discloseable pursuant to any of the requirements set out in Rule 13.51(2) of the Listing Rules.

Mr. WANG Rong (王榮)

Mr. Wang, aged 35, is an executive Director and our vice president. He joined our Group in 2000. He is responsible for the management of day-to-day operations and development of our operations in Guizhou province.

Mr. Wang has entered into a service contract with the Company on 25 August 2007 for a term of three years. His appointment is subject to normal retirement and re-election at the annual general meeting by the Shareholders pursuant to the Articles. He is entitled to an annual emolument of RMB200,000 per annum being determined with reference to his duties and responsibilities with the Company.

Mr. Wang does not have any relationship with any other Directors, senior management or substantial or controlling Shareholders. As at the Latest Practicable Date, Mr. Wang did not have any interest in the Shares or underlying shares of the Company within the meaning of Part XV of SFO.

Mr. Wang holds no directorships in any public listed companies in the past three years.

There are no other matters concerning Mr. Wang that need to be brought to the attention of the Shareholders and there is no other information which is discloseable pursuant to any of the requirements set out in Rule 13.51(2) of the Listing Rules.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. CHAN Chi Hing (陳志興)

Mr. Chan, aged 44, is an independent non-executive Director. He joined our Board since June 2007. He is currently the Chief Operating Officer of Far East Consortium International Limited ("FECIL"), a company listed on the main board of the Stock Exchange and a director of various subsidiaries of FECIL. Mr. Chan joined FECIL in 1990 as the chief accountant and served as the financial controller since 2002. From 1990 to 2003, he was in charge of FECIL's financial, treasury and accounting matters. Before joining FECIL, he was an audit manager with an international accounting

firm for over 10 years. Mr. Chan has extensive experience in accounting and auditing of Hong Kong listed companies. Since May 2003, Mr. Chan has been an alternate director to Mr. Deacon Te Ken Chiu, director of Far East Hotels and Entertainment Limited, a Hong Kong listed company.

Mr. Chan has entered into a service contract with the Company on 25 August 2007 for a term of two years. His appointment is subject to normal retirement and re-election at the annual general meeting by the Shareholders pursuant to the Articles. He is entitled to an annual emolument of RMB200,000 per annum being determined with reference to his duties and responsibilities with the Company.

Mr. Chan does not have any relationship with any other Directors, senior management or substantial or controlling Shareholders. As at the Latest Practicable Date, Mr. Chan did not have any interest in the Shares or underlying shares of the Company within the meaning of Part XV of SFO.

Save as disclosed above, Mr. Chan holds no directorships in any public listed companies in the past three years.

There are no other matters concerning Mr. Chan that need to be brought to the attention of the Shareholders and there is no other information which is discloseable pursuant to any of the requirements set out in Rule 13.51(2) of the Listing Rules.

Mr. WANG Zhiguo (王治國)

Mr. Wang, aged 68, is an independent non-executive Director. He joined our Board since June 2007. He is a senior engineer and a fellow of the World Academy of Productivity Science. Mr. Wang graduated from Northeast Forestry University (東北林業大學) in 1964. Prior to his retirement in 2004, he was the vice chairman of All-China Federation of Industry and Commerce (中華全國工商業聯合會). Mr. Wang was a secretary at the secretariat of China Association for Science and Technology (中國科學技術協會) from 1985 to 1994 and served as the general manager of China National Scientific Instruments & Materials Corporation (中國科學器材公司) in the early 1980s. During the period between February 2005 and October 2006, Mr. Wang was a director of Zhongyin Guoji Wenhua Changye Co., Ltd. (中音國際文化產業有限公司) (“Zhongyin Company”), a company established in China which was engaged in the business of copyright agency, development and sale of computer software and hardware and show agency. He was involved in the overall management of Zhongyin Company, particularly in the area of public relations. In July 2005, all equity holders of Zhongyin Company agreed to dissolve Zhongyin Company. Since the equity holders were unable to reach a consensus as to the distribution of the assets of Zhongyin Company, they did not proceed with the application for revocation of its business licence. Zhongyin Company was unable to apply for annual inspection in 2005 as only part of the voluntary dissolution process was completed. In the circumstances, the business licence of Zhongyin Company was revoked by the Administration for Industry and Commerce of Dongcheng District, Beijing in October 2006. Mr. Wang confirmed that there was no wrongful act on his part leading to the dissolution of Zhongyin Company or the revocation of the business licence of Zhongyin Company; that, as far as he is aware, no actual or potential claim has been or will be made against him as a result of or in connection with such dissolution or the revocation of the business licence of Zhongyin Company and that, as far as he is aware, there was no circumstance indicating that he would not be qualified to act as a director of a company under the PRC Company Law.

Mr. Wang has entered into a service contract with the Company on 25 August 2007 for a term of two years. His appointment is subject to normal retirement and re-election at the annual general meeting by the Shareholders pursuant to the Articles. He is entitled to an annual emolument of RMB200,000 per annum being determined with reference to his duties and responsibilities with the Company.

Mr. Wang does not have any relationship with any other Directors, senior management or substantial or controlling Shareholders. As at the Latest Practicable Date, Mr. Wang did not have any interest in the Shares or underlying shares of the Company within the meaning of Part XV of SFO.

Save as disclosed above, Mr. Wang holds no directorships in any public listed companies in the past three years.

There are no other matters concerning Mr. Wang that need to be brought to the attention of the Shareholders and there is no other information which is discloseable pursuant to any of the requirements set out in Rule 13.51(2) of the Listing Rules.

Mr. HUANG Rongsheng (黃容生)

Mr. Huang, aged 62, is an independent non-executive Director. He joined our Board since June 2007. He graduated from Tsinghua University in 1970. He has over 30 years' experience in the steel industry. Prior to his retirement in December 2006, he worked at Central Iron & Steel Research Institute (鋼鐵研究總院) since 2003. He served as vice general manager and vice president of Panzhihua Steel (Group) Company from 1993 to 2003.

Mr. Huang has entered into a service contract with the Company on 25 August 2007 for a term of two years. His appointment is subject to normal retirement and re-election at the annual general meeting by the Shareholders pursuant to the Articles. He is entitled to an annual emolument of RMB200,000 per annum being determined with reference to his duties and responsibilities with the Company.

Mr. Huang does not have any relationship with any other Directors, senior management or substantial or controlling Shareholders. As at the Latest Practicable Date, Mr. Huang did not have any interest in the Shares or underlying shares of the Company within the meaning of Part XV of SFO.

Mr. Huang holds no directorships in any public listed companies in the past three years.

There are no other matters concerning Mr. Huang that need to be brought to the attention of the Shareholders and there is no other information which is discloseable pursuant to any of the requirements set out in Rule 13.51(2) of the Listing Rules.



Hidili Industry International Development Limited

恒鼎實業國際發展有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1393)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Annual General Meeting of Hidili Industry International Development Limited (the “Company”) will be held at Mandarin Oriental, 5 Connaught Road Central, Hong Kong on Wednesday, 18 June 2008 at 10:30 a.m. to transact the following ordinary business:

1. To receive and adopt the audited financial statements and the Reports of the Directors (the “Directors”) of the Company and the Auditors of the Company for the year ended 31 December 2007;
2. To declare a final dividend of RMB8.4 cents per share for the year ended 31 December 2007;
3. To re-elect Mr. Xian Yang as an executive Director;
4. To re-elect Mr. Sun Jiankun as an executive Director;
5. To re-elect Mr. Wang Rong as an executive Director;
6. To re-elect Mr. Chan Chi Hing as an independent non-executive Director;
7. To re-elect Mr. Wang Zhiguo as an independent non-executive Director;
8. To re-elect Mr. Huang Rongsheng as an independent non-executive Director;
9. To authorise the board of Directors (the “Board”) to fix the Directors’ remuneration;
10. To re-appoint Deloitte Touche Tohmatsu as the auditors of the Company and to authorise the Board to fix their remuneration; and

As special business, to consider and, if thought fit, passing the following resolutions, with or without amendments, as ordinary resolutions:

11. **“THAT:**
 - (a) subject to paragraph (c) of this resolution, and pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“Stock Exchange”), the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional shares

NOTICE OF AGM

in the share capital of the Company and to make or grant offers, agreements and options which might require the exercise of such powers be and is hereby generally and unconditionally approved;

- (b) the approval in paragraph (a) of this resolution shall authorize the Directors during the Relevant Period to make or grant offers, agreements and options which might require the exercise of such powers after the end of the Relevant Period;
- (c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to options or otherwise) by the Directors pursuant to the approval in paragraph (a) of this resolution, otherwise than pursuant to (i) a Rights Issue (as hereinafter defined); or (ii) the grant or exercise of any option under the share option scheme of the Company or any other option scheme or similar arrangement for the time being adopted for the grant or issue of shares or rights to acquire shares of the Company; or (iii) any scrip dividend or similar arrangement providing for the allotment of shares in lieu of the whole or part of a dividend on shares of the Company in accordance with the articles of association of the Company in force from time to time; or (iv) any issue of shares in the Company upon the exercise of rights of subscription or conversion under the terms of any existing warrants of the Company or any existing securities of the Company which carry rights to subscribe for or are convertible into shares of the Company, shall not exceed 20% of the aggregate nominal amount of the share capital of the Company in issue at the date of the passing of this resolution and the authority pursuant to paragraph (a) of this resolution 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;
 - ii. the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any applicable law of the Cayman Islands to be held; or
 - iii. the revocation or variation of the authority given under this Resolution by an ordinary resolution of the shareholders in general meeting; and

“Rights Issues” means an offer of shares in the Company, or offer or issue of warrants, options or other securities giving rights to subscribe for shares open for a period fixed by the Directors to holders of shares in the Company on the register on a fixed record date in proportion to their holdings of shares subject to such exclusion or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements, or having regard to any restrictions or obligations under the laws of, or the requirements of, or the expense or delay which may be involved in determining the existence or extent of any restrictions or obligations under the laws of, or the requirements of, any jurisdiction applicable to the Company, or any recognised regulatory body or any stock exchange applicable to the Company).”

NOTICE OF AGM

12. “**THAT:**

- (a) subject to paragraph (b) of this resolution, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all powers of the Company to repurchase its shares on the Stock Exchange or any other stock exchange on which the shares of the Company may be listed and recognized by the Securities and Futures Commission of Hong Kong (“Securities and Futures Commission”) and the Stock Exchange for such purpose, and otherwise in accordance with the rules and regulations of the Securities and Futures Commission, the Stock Exchange or of any other stock exchange as amended from time to time and all applicable laws in this regard, be and is hereby generally and unconditionally approved;
- (b) the aggregate nominal amount of shares of the Company authorized to be repurchased by the Company pursuant to the approval in paragraph (a) of this resolution during the Relevant Period shall not exceed 10% of the aggregate nominal amount of the issued share capital of the Company at the date of the passing of this resolution and the authority pursuant to paragraph (a) of this resolution shall be limited accordingly; and
- (c) 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;
 - ii. the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any applicable law of the Cayman Islands to be held; or
 - iii. the revocation or variation of the authority given under this Resolution by an ordinary resolution of the shareholders in general meeting.”

NOTICE OF AGM

13. “**THAT** conditional upon Ordinary Resolutions No. 11 and 12 above being passed, the unconditional general mandate granted to the Directors to allot, issue and deal with additional shares and to make or grant offers, agreements and options which might require the exercise of such powers pursuant to Ordinary Resolution No. 11 above be and is hereby extended by the addition thereto of an amount representing the aggregate nominal amount of the share capital of the Company repurchased by the Company under the authority granted pursuant to Ordinary Resolution No. 12 above, provided that such amount shall not exceed 10% of the aggregate nominal amount of the issued share capital of the Company at the date of the passing of the said resolution.”

By Order of the Board
Hidili Industry International Development Limited
Xian Yang
Chairman

Hong Kong
23 May 2008

Notes:

1. A member entitled to attend and vote at the meeting convened by the above notice is entitled to appoint one or more proxies to attend and, subject to the provisions of the articles of association of the Company, vote in his stead. A proxy need not be a member of the Company.
2. In order to be valid, the form of proxy must be deposited together with a power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority, at the Company's branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-16, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time for holding the meeting or adjourned meeting.
3. The register of members of the Company will be closed from Thursday, 12 June 2008 to Wednesday, 18 June 2008 (both days inclusive), during which period no transfer of shares in the Company will be registered. In order to qualify for the proposed final dividend for the year ended 31 December 2007, all transfers, accompanied by the relevant share certificates, have to be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not later than 4:30 p.m. on Wednesday, 11 June 2008.
4. An explanatory statement containing further information concerning Ordinary Resolution No. 12 is set out in Appendix I to this circular. Information of the retiring directors of the Company who are proposed to be re-elected at the annual general meeting is set out in Appendix II to this circular.
5. As at the date hereof, the Board comprises Mr. Xian Yang (Chairman), Mr. Sun Jiankun and Mr. Wang Rong as the executive Directors, Mr. Tsang Kwong Yue Conrad as the non-executive Director; and Mr. Chan Chi Hing, Mr. Wang Zhiguo and Mr. Huang Rongsheng as the independent non-executive Directors.