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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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**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.

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**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;**  
**(3) PROPOSED AMENDMENTS TO ARTICLES OF ASSOCIATION; AND**  
**(4) NOTICE OF ANNUAL GENERAL MEETING**
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A notice convening an annual general meeting of the Company to be held at Mandarin Oriental, 5 Connaught Road Central, Hong Kong on Wednesday, 9 September 2009 at 10:30 a.m. is set out on pages 13 to 22 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](http://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 holding 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.

10 August 2009

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## DEFINITIONS

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*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, 9 September 2009 at 10:30 a.m. or any adjournment thereof                      |
| “AGM Notice”              | notice convening the AGM as set out on pages 13 to 22 of this circular  |
| “Articles”                | the articles of association of the Company  |
| “associate(s)”            | has the meaning ascribed to it 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 |
| “controlling shareholder” | has the meaning ascribed to it under the Listing Rules  |
| “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” | 6 August 2009, 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  |

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## DEFINITIONS

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|----------------------------|---|
| “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)   |
| “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 or otherwise 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   |
| “substantial shareholder”  | has the meaning ascribed to it under the Listing Rules  |
| “Takeovers Code”           | Hong Kong Code on Takeovers and Mergers   |
| “%”                        | per cent.   |

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LETTER FROM THE BOARD

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**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

*Registered office:*

Cricket Square

Hutchins Drive

P.O. Box 2681

Grand Cayman KY1-1111

Cayman Islands

*Independent non-executive Directors:*

Mr. Chan Chi Hing

Mr. Wang Zhiguo

Mr. Huang Rongsheng

*Head office:*

16th Floor, Dingli Mansion

No. 81 Renmin Road

Panzhuhua

Sichuan 617000

The PRC

10 August 2009

*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;  
(3) PROPOSED AMENDMENTS TO ARTICLES OF ASSOCIATION; AND  
(4) 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, the proposed re-election of the retiring Directors and the proposed amendments to the Articles.

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## LETTER FROM THE BOARD

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### 2. GENERAL MANDATE TO ISSUE SHARES

At the AGM, Ordinary Resolution No. 6 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 or otherwise deal with Shares during the period as set out in Ordinary Resolution No. 6 up to 20% of the issued share capital of the Company as at the date of passing Ordinary Resolution No. 6. In addition, Ordinary Resolution No. 8 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. 6 and 8 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 applicable law of the Cayman Islands to be held; and
- (c) the date on which the authority given under Ordinary Resolutions Nos. 6 and 8 respectively is revoked or varied by an ordinary resolution of the Shareholders in general meeting.

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## LETTER FROM THE BOARD

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### 3. GENERAL MANDATE TO REPURCHASE SHARES

At the AGM, Ordinary Resolution No. 7 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. 7 up to 10% of the issued share capital of the Company as at the date of passing Ordinary Resolution No. 7. 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(1) 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;
- (b) the expiration of the period within which the next annual general meeting of the Company is required by the Articles, or any applicable law of the Cayman Islands to be held; and
- (c) the date on which the authority given under Ordinary Resolution No. 7 is revoked or varied by an ordinary resolution of the Shareholders in general meeting.

### 4. RE-ELECTION OF RETIRING DIRECTORS

In accordance with Articles 87(1) and 87(2) of the Articles, Mr. Xian Yang and Mr. Chan Chi Hing shall retire by rotation, and being eligible, offered themselves for re-election at the AGM.

Details of the above named Directors who are subject to re-election at the AGM are set out in Appendix II to this circular in accordance with the relevant requirements of the Listing Rules.

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## LETTER FROM THE BOARD

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### 5. PROPOSED AMENDMENTS TO ARTICLES OR ASSOCIATION

The Stock Exchange has amended the Listing Rules relating to, among other things, voting by poll at general meetings and notice period for general meetings. The amendments to the Listing Rules have come into effect on 1 January 2009.

Accordingly, the Directors propose to seek the approval of the Shareholders by way of passing a special resolution to be proposed at the AGM for the amendments to the Articles in order to, among others, ensure compliance with the amendments made to the Listing Rules.

A summary of certain major amendments is set out below:

**(a) Voting by poll to be mandatory for all resolutions at general meeting**

The Listing Rules have been amended to make voting by poll mandatory on all resolutions at general meeting of listed issuers.

**(b) Minimum notice periods for general meetings**

A new code provision has been introduced in the Code on Corporate Governance Practices as set out in Appendix 14 to the Listing Rules so that notice to shareholders should be sent in the case of annual general meetings at least 20 clear business days before the meeting and at least 10 clear business days in the case of all other general meetings.

The full text of the special resolution containing the proposed amendments (special resolution No. 9) is set out in the AGM Notice on pages 13 to 22 of this circular.

### 6. AGM

Set out on pages 13 to 22 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, the re-election of the retiring Directors and the proposed amendments to the Articles.



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## LETTER FROM THE BOARD

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### 7. 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 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 less 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.

### 8. VOTING BY POLL

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of Shareholders at a general meeting must be taken by poll. The chairman of the AGM will therefore demand a poll for every resolution put to the vote at the AGM in accordance with the Articles. The results of the poll shall be deemed to be the resolution of the AGM at which the poll was demanded and the poll results will be published on the websites of the Stock Exchange ([www.hkex.com.hk](http://www.hkex.com.hk)) and the Company ([www.hidili.com.cn](http://www.hidili.com.cn)).

### 9. 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.

### 10. RECOMMENDATION

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

Yours faithfully,  
By Order 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 REPURCHASES 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.7 relates to the granting of a general and unconditional mandate to the Directors to repurchase, on the Stock Exchange or another stock exchange on which the shares of the Company may be listed and recognised by The Securities and Futures Commission and the Stock Exchange of Hong Kong, Shares up to a maximum of 10% of the issued share capital of the Company as at the date of 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 law of the Cayman Islands 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 REPURCHASES**

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 as a whole 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 as a whole.

**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 2008 (being the date of its latest published audited accounts), the Directors consider that there may be 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 position of the Company.

## 6. SHARE PRICES

During each of the previous twelve months preceding 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<br><i>HK\$</i> | Lowest<br><i>HK\$</i> |
| <b>2008</b>                                |                        |                       |
| August                                     | 11.70                  | 8.04                  |
| September                                  | 9.27                   | 3.11                  |
| October                                    | 3.78                   | 0.78                  |
| November                                   | 2.04                   | 1.11                  |
| December                                   | 2.82                   | 1.36                  |
| <b>2009</b>                                |                        |                       |
| January                                    | 3.05                   | 2.29                  |
| February                                   | 2.83                   | 1.95                  |
| March                                      | 2.63                   | 1.71                  |
| April                                      | 3.72                   | 2.45                  |
| May  | 5.36                   | 3.25                  |
| June                                       | 7.12                   | 4.94                  |
| July                                       | 9.48                   | 6.05                  |
| August (up to the Latest Practicable Date) | 9.37                   | 8.19                  |

## 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) of the Company 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 of voting rights 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, to the best knowledge and belief of the Directors, the following Shareholders are interested in more than 5% of the Company's issued share capital:

| Name  | Number of<br>issued ordinary<br>shares held | Nature of<br>interest                     | Approximate<br>percentage of<br>existing<br>shareholding | Approximate<br>percentage of<br>shareholding<br>if the Share<br>Repurchase<br>Mandate<br>is exercised<br>in full |
|---|---|---|--|--|
| Sanlian Investment<br>Holding Limited<br>("Sanlian Investment")<br>(Note 1) | 1,097,631,000                               | Beneficial<br>interests                   | 53.3%  | 59.2%  |
| Mr. Xian Yang ("Mr. Xian")<br>(Note 1)                                      | 1,097,631,000                               | Interests of<br>controlled<br>corporation | 53.3%  | 59.2%  |
| Ms. Qiao Qian ("Ms. Qiao")<br>(Note 2)                                      | 1,097,631,000                               | Interest of<br>spouse                     | 53.3%  | 59.2%  |
| Templeton Asset<br>Management Limited                                       | 148,853,000                                 | Beneficial<br>owner                       | 7.2%   | 8.0%   |

*Notes:*

1. The entire issued share capital of Sanlian Investment is owned by Mr. Xian. Mr. Xian is deemed to be interested in 1,097,631,000 Shares held by Sanlian Investment by virtue of the SFO.
2. Ms. Qiao is the spouse of Mr. Xian. By virtue of the SFO, Ms. Qiao is also deemed, as spouse, to be interested in all the Shares in which Mr. Xian is deemed to be interested.

Based on the current holding of the above Shareholders, an exercise of the Share Repurchase Mandate in full in accordance with the terms of Ordinary Resolution No. 7 to be proposed at the AGM will not give rise to an obligation to make a mandatory offer under Rule 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 of Shares 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 by rotation 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 35, is an executive Director and the founder, chairman and president of the Group. 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 the 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 the Group. He also chairs the 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 the senior management of the Group. Mr. Xian is also a director of Sanlian Investment Holding Limited, a company which holds approximately 53.3% of the issued share capital of the Company as at the Latest Practicable Date.

Mr. Xian has entered into a service contract with the Company on 25 August 2007 for a term of three years commencing on 1 September 2007. 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 of the Company.

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

As at the Latest Practicable Date, Mr. Xian is interested in the entire issued share capital of Sanlian Investment Holding Limited, which is interested in 1,097,631,000 Shares. By virtue of the SFO, Mr. Xian is deemed to be interested in 1,097,631,000 Shares held by Sanlian Investment Holding Limited.

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.

**INDEPENDENT NON-EXECUTIVE DIRECTORS****Mr. CHAN Chi Hing (陳志興)**

Mr. Chan, aged 45, is an independent non-executive Director. He joined the 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 company listed on Main Board of the Stock Exchange.

Mr. Chan has entered into a letter of appointment with the Company on 25 August 2007 for a term of two years commencing from 1 September 2007. 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 of the Company. 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.



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## NOTICE OF AGM

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### 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, 9 September 2009, 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 of the Company and the auditors of the Company for the year ended 31 December 2008;
2. To re-elect Mr. Xian Yang as an executive Director;
3. To re-elect Mr. Chan Chi Hing as an independent non-executive Director;
4. To authorise the board of directors to fix the remuneration of the directors of the Company;
5. To re-appoint Deloitte Touche Tohmatsu as the auditors of the Company and to authorise the board of directors 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:

6. **“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 of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue or otherwise deal with additional shares in the share capital of the Company or securities convertible into shares, or options, warrants or similar rights to subscribe for shares or such convertible securities of the Company and to make or grant offers, agreements and/or options which may require the exercise of such powers be and is hereby generally and unconditionally approved;

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## NOTICE OF AGM

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- b) the approval in paragraph (a) of this resolution shall be in addition to any other authorisation given to the directors of the Company and shall authorise the directors of the Company during the Relevant Period (as hereinafter defined) to make or grant offers, agreements and/or options which may require the exercise of such powers after the end of the Relevant Period (as hereinafter defined);
- 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 of the Company during the Relevant Period (as hereinafter defined) 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 of the Company in general meeting; and

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“Rights Issues” means an offer of shares in the capital of 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 of the Company to holders of shares in the capital of the Company whose names appear on the register of members on a fixed record date in proportion to their holdings of shares (subject to such exclusion or other arrangements as the directors of the Company 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).”

7. **“THAT:**

- a) subject to paragraph (b) of this resolution, the exercise by the directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to repurchase shares of the Company on The Stock Exchange of Hong Kong Limited (“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 (“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 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 authorised to be repurchased by the Company pursuant to the approval in paragraph (a) of this resolution during the Relevant Period (as hereinafter defined) 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 of the Company in general meeting.”

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8. “**THAT** conditional upon Ordinary Resolutions No. 6 and 7 set out in the notice convening this meeting being passed, the unconditional general mandate granted to the directors of the Company to exercise the powers of the Company to allot, issue or otherwise deal with additional shares of the Company and to make or grant offers, agreements and options which might require the exercise of such powers pursuant to Ordinary Resolution No. 6 set out in the notice convening this meeting be and is hereby extended by the addition to the aggregate nominal amount of the share capital of the Company which may be allotted by the directors of the Company pursuant to such general mandate 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. 7 set out in the notice convening this meeting, 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.”

### SPECIAL RESOLUTION

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

9. “**THAT:**

The articles of association of the Company be and are hereby amended in the following manner:

**(a) Article 2(1)**

- (i) by adding the following new definition after the existing definition of “Board” or “Directors” in the existing Article 2(1):

““business day” shall mean a day on which the Designated Stock Exchange generally is open for the business of dealing in securities in Hong Kong. For the avoidance of doubt, where the Designated Stock Exchange is closed for the business of dealing in securities in Hong Kong on a business day for the reason of a Number 8 or higher typhoon signal, black rainstorm warning or other similar event, such day shall for the purposes of these Articles be counted as a business day.”

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- (ii) By deleting the existing definition of “ordinary resolution” in Article 2(1) in its entirety and substituting therefor the following:

““ordinary resolution” a resolution shall be an ordinary resolution when it has been passed by a simple majority of votes cast by such Members as, being entitled so to do, vote in person or, in the case of any Member being a corporation, by its duly authorised representative or, where proxies are allowed, by proxy at a general meeting of which Notice has been duly given in accordance with Article 59.”

- (iii) By deleting the existing definition of “special resolution” in Article 2(1) in its entirety and substituting therefor the following:

““special resolution” a resolution shall be a special resolution when it has been passed by a majority of not less than three-fourths of votes cast by such Members as, being entitled so to do, vote in person or, in the case of such Members as are corporations, by their respective duly authorised representative or, where proxies are allowed, by proxy at a general meeting of which Notice has been duly given in accordance with Article 59.

a special resolution shall be effective for any purpose for which an ordinary resolution is expressed to be required under any provision of these Articles or the Statutes.”

**(b) Article 2(2)**

By deleting the full stop and replacing it with a semi-colon at the end of existing Article 2(2)(h) and adding the following new Article 2(2)(i) immediately after the existing Article 2(2)(h):

- “(i) Section 8 of the Electronic Transactions Law (2003) of the Cayman Islands, as amended from time to time, shall not apply to these Articles to the extent it imposes obligations or requirement in addition to those set out in these Articles.”

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**(c) Article 3**

By deleting the existing Article 3(3) in its entirety and substituting therefor the following:

“(3) Subject to compliance with the rules and regulations of the Designated Stock Exchange and any other relevant regulatory authority, the Company may give financial assistance for the purpose of or in connection with a purchase made or to be made by any person of any shares in the Company.”

**(d) Article 10**

By deleting the existing Article 10 in its entirety and substituting therefor the following:

“Subject to the Law and without prejudice to Article 8, all or any of the special rights for the time being attached to the shares or any class of shares may, unless otherwise provided by the terms of issue of the shares of that class, from time to time (whether or not the Company is being wound up) be varied, modified or abrogated either with the consent in writing of the holders of not less than three-fourths in nominal value of the issued shares of that class or with the sanction of a special resolution passed at a separate general meeting of the holders of the shares of that class. To every such separate general meeting all the provisions of these Articles relating to general meetings of the Company shall, mutatis mutandis, apply, but so that:

- (a) the necessary quorum (other than at an adjourned meeting) shall be two persons (or in the case of a Member being a corporation, its duly authorized representative) holding or representing by proxy not less than one-third in nominal value of the issued shares of that class and at any adjourned meeting of such holders, two holders present in person or (in the case of a Member being a corporation) its duly authorized representative or by proxy (whatever the number of shares held by them) shall be a quorum; and
- (b) every holder of shares of the class shall be entitled to one vote for every such share held by him.”

**(e) Article 51**

By deleting the words “an appointed newspaper or any other” and substituting thereof with the new word “any” after the words “given by advertisement in” in the second line of the existing Article 51.

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**(f) Article 59(1)**

- (i) By inserting the words “shall be called by Notice of not less than twenty-one (21) clear days and not less than twenty (20) clear business days” after the words “An annual general meeting” in the first line of the existing Article 59(1);
- (ii) By inserting the words “Notice of” after the words “shall be called by” in the second line of the existing Article 59(1);
- (iii) By deleting the punctuation and word “Notice” after the words “(21) clear days” and substituting thereof with the new words “and not less than ten (10) clear business days” in the third line of the existing Article 59(1);
- (iv) By inserting the words “Notice of” after the words “may be called by” in the third line of the existing Article 59(1); and
- (v) By deleting the punctuation and word “Notice” after the words “(14) clear days” and substituting thereof with the new words “and not less than ten (10) clear business days but if permitted by the rules of the Designated Stock Exchange,” in the fourth line of the existing Article 59(1).

**(g) Article 59(2)**

By inserting the words “particulars of resolutions to be considered at the meeting and” after the words “place of the meeting” in the first line of the existing Article 59(2).

**(h) Article 66**

By deleting the existing Article 66 in its entirety and substituting therefor the following:

“Subject to any special rights or restrictions as to voting for the time being attached to any shares by or in accordance with these Articles, at any general meeting on a poll every Member present in person or by proxy or, in the case of a Member being a corporation, by its duly authorised representative shall have one vote for every fully paid share of which he is the holder but so that no amount paid up or credited as paid up on a share in advance of calls or instalments is treated for the foregoing purposes as paid up on the share. A resolution put to the vote of a meeting shall be decided by way of a poll.”

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**(i) Article 67**

By deleting the existing Article 67 in its entirety and inserting the words “Intentionally Deleted”.

**(j) Article 68**

By deleting the existing Article 68 in its entirety and substituting therefor the following:

“The result of the poll shall be deemed to be the resolution of the meeting. The Company shall only be required to disclose the voting figures on a poll if such disclosure is required by the rules of the Designated Stock Exchange.”

**(k) Article 69**

By deleting the existing Article 69 in its entirety and inserting the words “Intentionally Deleted”.

**(l) Article 70**

By deleting the existing Article 70 in its entirety and inserting the words “Intentionally Deleted”.

**(m) Article 73**

By deleting the words and punctuation “whether on a show of hands or on a poll,” after the words “an equality of votes” in the third line of the existing Article 73.

**(n) Article 75(1)**

(i) By deleting the words and punctuation “whether on a show of hands or on a poll,” after the words “managing their own affairs may vote,” in the third line of the existing Article 75(1); and

(ii) By deleting the words “or poll” after the words “or adjourned meeting” in the last line of the existing Article 75(1).



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**(o) Article 80**

By deleting Article 80 in its entirety and substituting therefor the following:

“The instrument appointing a proxy and (if required by the Board) the power of attorney or other authority (if any) under which it is signed, or a certified copy of such power or authority, shall be delivered to such place or one of such places (if any) as may be specified for that purpose in or by way of note to or in any document accompanying the notice convening the meeting (or, if no place is so specified at the Registration Office or the Office, as may be appropriate) not less than forty-eight (48) hours before the time appointed for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote. No instrument appointing a proxy shall be valid after the expiration of twelve (12) months from the date named in it as the date of its execution, except at an adjourned meeting in cases where the meeting was originally held within twelve (12) months from such date. Delivery of an instrument appointing a proxy shall not preclude a Member from attending and voting in person at the meeting convened and in such event, the instrument appointing a proxy shall be deemed to be revoked.”

**(p) Article 81**

By deleting the words “demand or join in demanding a poll and to” after the words “to confer authority to” in the fourth line of the existing Article 81.

**(q) Article 82**

By deleting the punctuation and words “or the taking of the poll,” after the words “or adjourned meeting,” in the seventh and eighth lines of the existing Article 82.

**(r) Article 84(2)**

By deleting the words “including the right to vote individually on a show of hands” after the words “(or its nominee(s))” in the last line of the existing Article 84(2).

By Order of the Board

**Hidili Industry International Development Limited**

**Xian Yang**

*Chairman*

Hong Kong, 10 August 2009

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*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 any power of attorney or other authority, if any, under which it is signed or a certified copy of that 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 not less than 48 hours before the time appointed for holding the meeting or adjourned meeting.
3. The register of members of the Company will be closed from Thursday, 3 September 2009 to Wednesday, 9 September 2009 (both days inclusive), during which period no transfer of shares in the Company will be registered. In order to be entitled to attend and vote, 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, 2 September 2009.
4. An explanatory statement containing further information concerning Ordinary Resolution No. 7 is set out in Appendix I to the circular of the Company dated 10 August 2009. Information of the retiring directors of the Company who are proposed to be re-elected at the annual general meeting is set out in the Appendix II to the circular of the Company dated 10 August 2009.
5. As at the date hereof, the Board comprises Mr. Xian Yang (*Chairman*), Mr. Sun Jiankun and Mr. Wang Rong as the executive Directors and Mr. Chan Chi Hing, Mr. Wang Zhiguo and Mr. Huang Rongsheng as the independent non-executive Directors.