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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: 01393)

**(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**

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A notice convening an annual general meeting of the Company to be held at JW Marriott Hotel Hong Kong, Pacific Place, 88 Queensway, Hong Kong on Friday, 29 June 2012 at 11:00 a.m. is set out on pages 11 to 15 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.hkexnews.hk](http://www.hkexnews.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.

31 May 2012

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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 JW Marriott Hotel Hong Kong, Pacific Place, 88 Queensway, Hong Kong on Friday, 29 June 2012 at 11:00 a.m. or any adjournment thereof
“AGM Notice”	notice convening the AGM as set out on pages 11 to 15 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
“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”	25 May 2012, 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.



**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: 01393)

*Executive Directors:*

Mr. Xian Yang (Chairman)

Mr. Sun Jiankun

Mr. Wang Rong

*Independent non-executive Directors:*

Mr. Chan Chi Hing

Mr. Chen Limin

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

31 May 2012

*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.

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## LETTER FROM THE BOARD

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### 2. GENERAL MANDATE TO ISSUE 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 allot, issue and deal with Shares during the period as set out in Ordinary Resolution No. 7 up to 20% of the issued share capital of the Company as at the date of passing Ordinary Resolution No. 7. In addition, Ordinary Resolution No. 9 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 2,065,653,000 fully paid up Shares. Assuming that there is no change in the issued share capital of the Company between 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 413,130,600 Shares.

Details of the Share Issue Mandate and the extension of the Share Issue Mandate are set out in Ordinary Resolutions Nos. 7 and 9 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 laws to be held; and
- (c) the date on which the authority given under Ordinary Resolutions Nos. 7 and 9 respectively as referred to in the AGM Notice is revoked or varied by an ordinary resolution of the Shareholders in general meeting.

### 3. GENERAL MANDATE TO REPURCHASE SHARES

At the AGM, Ordinary Resolution No. 8 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. 8 up to 10% of the issued share capital of the Company as at the date of passing Ordinary Resolution No. 8. 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.

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## LETTER FROM THE BOARD

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As at the Latest Practicable Date, the issued share capital of the Company comprised 2,065,653,000 fully paid up Shares. Assuming that there is no change in the issued share capital of the Company between 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 206,565,300 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 laws to be held; and
- (c) the date on which the authority given under Ordinary Resolution No. 8 as referred to in the AGM Notice 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.

#### **5. AGM**

Set out on pages 11 to 15 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.



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## LETTER FROM THE BOARD

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### 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 certified copy of such 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 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.

### 7. 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. Accordingly, the ordinary resolutions proposed at the AGM will be taken by poll. The results of the poll will be published on the websites of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.hidili.com.cn](http://www.hidili.com.cn)) after the AGM.

### 8. 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 the 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 in Ordinary Resolution No. 8 as referred to in the AGM Notice 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, 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 2,065,653,000 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 206,565,300 Shares during the period commencing on the date of the passing of the resolution granting the Share Repurchase Mandate and 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 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 2011 (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 <i>HK\$</i>	Lowest <i>HK\$</i>
<b>2011</b>		
May	7.97	6.20
June	6.93	6.04
July	6.86	5.28
August	5.87	3.89
September	4.35	2.22
October	3.66	1.83
November	3.33	2.40
December	2.89	2.22
<b>2012</b>		
January	2.98	2.19
February	3.53	2.82
March	3.47	2.71
April	2.99	2.55
May (Up to the Latest Practicable Date)	2.84	2.03

## 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 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, Sanlian Investment Holding Limited, the entire issued share capital of which is owned by Xian Yang No.1A Ltd. and Sanlian No.1 Ltd., in which Mr. Xian Yang (the Chairman of the Company) is the ultimate controlling Shareholder, was interested in 1,100,674,000 shares (representing about 53.28% of the issued share capital of the Company). If the Share Repurchase Mandate is exercised in full, the shareholding of Sanlian Investment Holding Limited will be increased to about 59.21%.

Based on the above, an exercise of the Share Repurchase Mandate in full in accordance with the terms of Ordinary Resolution No. 9 as referred to in the AGM Notice 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.

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## APPENDIX II DETAILS OF DIRECTORS PROPOSED TO BE RE-ELECTED AT THE AGM

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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 38, 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 at 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 Panzihua 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 the Group. He also chairs our Group's investment management committee. Mr. Xian is a cousin of Mr. Xian Qingping who is a member of our senior management.

Mr. Xian is also a director of Sanlian Investment Holding Limited, a company which holds approximately 53.28% of the issued share capital of the Company as at the Latest Practicable Date. Save as disclosed above, Mr. Xian did not have any interest in the Shares or underlying shares of the Company within the meaning of Part XV of the SFO as at the Latest Practicable Date.

Mr. Xian has entered into a service contract with the Company on 1 September 2010 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) (h) to (v) of the Listing Rules.

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

Mr. Chan, aged 47, is an independent non-executive Director. He joined our Board in 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 Hong Kong 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 an appointment letter with the Company on 1 September 2011 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) (h) to (v) 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: 01393)

### **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 JW Marriott Hotel Hong Kong, Pacific Place, 88 Queensway, Hong Kong on Friday, 29 June 2012, at 11:00 a.m. to transact the following ordinary business:

1. To receive and adopt the audited consolidated financial statements and the reports of the directors of the Company and the auditors of the Company for the year ended 31 December 2011;
2. To declare a final dividend of RMB6.9 cents per share of the Company for the year ended 31 December 2011 from share premium account;
3. To re-elect Mr. Xian Yang as an executive director;
4. To re-elect Mr. Chan Chi Hing as an independent non-executive director;
5. To authorise the board of directors to fix the remuneration of the directors of the Company;
6. To re-appoint Deloitte Touche Tohmatsu as the auditors of the Company and to authorise the board of directors to fix their remuneration; and



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## NOTICE OF AGM

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

7. **“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 defined below) 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;
- 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 defined below) 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 defined below);
- c) the aggregate nominal amount of share capital of the Company allotted, issued and dealt with or agreed conditionally or unconditionally to be allotted, issued and dealt with (whether pursuant to options or otherwise) by the directors of the Company during the Relevant Period (as defined below) pursuant to the approval in paragraph (a) of this resolution, otherwise than pursuant to (i) a Rights Issue (as defined below); 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

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## NOTICE OF AGM

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- 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 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

“**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 name 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).”

8. “**THAT:**

- a) subject to paragraph (b) of this resolution, the exercise by the directors of the Company during the Relevant Period (as defined below) 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;

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## NOTICE OF AGM

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- 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 defined below) 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 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.”
9. “**THAT** conditional upon Ordinary Resolutions No. 7 and 8 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. 7 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 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. 8 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.”

By Order of the Board

**Hidili Industry International Development Limited**

**Xian Yang**

*Chairman*

Hong Kong

31 May 2012

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## NOTICE OF AGM

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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 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 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 Monday, 25 June 2012 to Friday, 29 June 2012 (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 for annual general meeting, 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 Friday, 22 June 2012.
4. An explanatory statement containing further information concerning Ordinary Resolution No. 8 is set out in Appendix I to the circular of the Company dated 31 May 2012. 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 the circular of the Company dated 31 May 2012.
5. As at the date hereof, the board of directors of the Company comprises Mr. Xian Yang (Chairman), Mr. Sun Jiankun and Mr. Wang Rong as the executive directors and Mr. Chan Chi Hing, Mr. Chen Limin and Mr. Huang Rongsheng as the independent non-executive directors.