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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)

ANNOUNCEMENT

Reference is made to the announcement of Hidili Industry International Development Limited (the “**Company**”) dated 12 August 2014 (the “**Announcement**”) in relation to the settlement agreement entered into between the Plaintiffs and the Company on 12 August 2014 (the “**Settlement Agreement**”).

Capitalised terms used in this announcement shall have the same meanings given to them in the Announcement, unless otherwise specified.

The board of directors of the Company would like to further inform the shareholders and potential investors of the Company that pursuant to the terms of the Settlement Agreement, it was agreed, among other things, that:

- (a) the Company shall pay to the Plaintiffs the sum of US\$1,000,000 (the “**Payment**”);
- (b) the Payment is made without any admission of liability by the Company and shall be in full and final settlement of any and all claims arising out of or in connection with the Conversion Notices, including, without limited, the claims brought in the Legal Proceedings; and
- (c) any and all rights and powers attaching or relating to shares of the Company issued pursuant to the Conversion Notices (“**Conversion Shares**”) (including, without limitation, the right to retain, sell, transfer, assign or otherwise dispose of the Conversion Shares) may be exercised by the Plaintiffs or their respective agent(s).

The Company made the Payment to the Plaintiffs on 19 August 2014.

By Order of the Board of
Hidili Industry International Development Limited
恒鼎實業國際發展有限公司
Xian Yang
Chairman

Hong Kong, 26 August 2014

As at the date hereof, the executive Directors are Mr. Xian Yang (Chairman) and Mr. Sun Jiankun; and the independent non-executive Directors are Mr. Chan Chi Hing, Mr. Chen Lemin and Mr. Huang Rongsheng.