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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Hengdeli Holdings Limited (the “Company”), 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 transfer was effected, for transmission to the purchaser or transferee.

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HENGDELI HOLDINGS LIMITED

亨得利控股有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 3389)

**GENERAL MANDATES TO ISSUE SHARES
AND REPURCHASE SHARES
RE-ELECTION OF RETIRING DIRECTORS
AND
NOTICE OF ANNUAL GENERAL MEETING**

A notice convening the annual general meeting of the Company to be held at Lotus Room, 6/F, Marco Polo Hongkong Hotel, No. 3 Canton Road, Harbour City, Tsim Sha Tsui, Kowloon, Hong Kong on Friday, 10 May 2019 at 11:00 a.m. is set out on pages 13 to 16 of this circular.

Whether or not you are able to attend the annual general meeting in person, you are requested to complete and return the form of proxy enclosed with this circular in accordance with the instructions printed thereon as soon as possible and in any event not less than 48 hours before the time appointed for holding the annual general meeting (i.e. before Wednesday, 8 May 2019 at 11:00 a.m. (Hong Kong time)). Completion and delivery of a form of proxy will not preclude you from attending and voting at the annual general meeting in person.

4 April 2019

DEFINITIONS

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

“Annual General Meeting”	the annual general meeting of the Company to be held at Lotus Room, 6/F, Marco Polo Hongkong Hotel, No. 3 Canton Road, Harbour City, Tsim Sha Tsui, Kowloon, Hong Kong on Friday, 10 May 2019 at 11:00 a.m., the notice of which is set out on pages 13 to 16 of this circular
“Articles of Association”	the existing articles of association of the Company
“Board”	the board of Directors
“Close Associate(s)”	has the meanings ascribed to it under the Listing Rules
“Company”	Hengdeli Holdings Limited, a company incorporated in the Cayman Islands and whose shares are listed on the Stock Exchange
“Core Connected Person(s)”	has the meanings ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Issue Mandate”	the general mandate proposed to be granted to the Directors to allot, issue and deal with the aggregate number of Shares not exceeding the aggregate of 20% of the total number of issued shares of the Company as at date of passing Resolution No. 5A
“Latest Practicable Date”	26 March 2019, 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

DEFINITIONS

“Notice”	the notice convening the Annual General Meeting which is set out on pages 13 to 16 of this circular
“PRC”	the People’s Republic of China which, for the purpose of this circular, excludes Hong Kong, Macau Special Administrative Region and Taiwan
“Repurchase Mandate”	the general mandate proposed to be granted to the Directors to exercise the power of the Company to repurchase Shares up to a maximum number of 10% of the total number of issued shares of the Company as at the date of passing Resolution No. 5B
“Securities and Futures Ordinance”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	the ordinary share(s) of par value of HK\$0.005 each in the capital of the Company
“Shareholder(s)”	Holder(s) of Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Codes on Takeovers and Mergers and Share Buy-backs
“%”	per cent

LETTER FROM THE BOARD



HENGDELI HOLDINGS LIMITED

亨得利控股有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 3389)

Executive Directors:

Mr. ZHANG Yuping (*Chairman*)

Mr. HUANG Yonghua

Mr. LEE Shu Chung, Stan

Non-executive Director:

Mr. SHI Zhongyang

Independent Non-executive Directors:

Mr. CAI Jianmin

Mr. WONG Kam Fai, William

Mr. LIU Xueling

Registered Office:

Cricket Square

Hutchins Drive

P.O. Box 2681

Grand Cayman KY1-1111

Cayman Islands

Head Office and Principal Place of

Business in Hong Kong:

Room 301, 3/F, Lippo Sun Plaza

28 Canton Road

Tsim Sha Tsui, Kowloon

Hong Kong

4 April 2019

To Shareholders

Dear Sir or Madam,

**GENERAL MANDATES TO ISSUE SHARES
AND REPURCHASE SHARES,
RE-ELECTION OF RETIRING DIRECTORS
AND
NOTICE OF ANNUAL GENERAL MEETING**

INTRODUCTION

The purpose of this circular is to provide you with information regarding resolutions to be proposed at the Annual General Meeting. These include ordinary resolutions for: (i) granting the Directors general mandate to issue new Shares; (ii) granting the Directors general mandate to repurchase Shares; (iii) extension of general mandate to issue Shares; and (iv) re-election of retiring Directors.

LETTER FROM THE BOARD

1. GENERAL MANDATE TO ISSUE SHARES

At the Annual General Meeting, an ordinary resolution, as set out as Resolution No. 5A, will be proposed for the Shareholders to consider and if, thought fit, to grant the Issue Mandate to the Directors to allot, issue and deal with the aggregate number of Shares not exceeding 20% of the total number of issued Shares as at the date of passing of such resolution, that is 932,533,391 Shares, assuming no further issue or repurchase of Shares from the Latest Practicable Date to the date of Annual General Meeting. The full text of the ordinary resolution to be proposed at the Annual General Meeting in relation to the Issue Mandate is set out in Resolution No. 5A in the Notice.

The Issue Mandate to issue Shares will remain in effect 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 or any applicable law to be held; and (iii) the revocation or variation of the authority given under this resolution by an ordinary resolution of the Shareholders in general meeting.

2. GENERAL MANDATE TO REPURCHASE SHARES

At the Annual General Meeting, an ordinary resolution, as set out as Resolution No. 5B, will be proposed for the Shareholders to consider and if, thought fit, to grant the Repurchase Mandate to enable the Directors to exercise all powers of the Company to repurchase Shares subject to the criteria set out in this circular. Shareholders should note that the maximum number of Shares that may be repurchased will be 10% of the total number of issued Shares as at the date of passing of such resolution. The full text of the ordinary resolution to be proposed at the Annual General Meeting in relation to the Repurchase Mandate is set out in Resolution No. 5B in the Notice.

An explanatory statement containing all relevant information relating to the Repurchase Mandate and as required pursuant to the Listing Rules is set out in Appendix I to this circular. The information in the explanatory statement is to provide you with the information reasonably necessary to enable you to make an informed decision on whether to vote for or against the resolution relating to the Repurchase Mandate.

3. EXTEND GENERAL MANDATE TO ISSUE SHARES

At the Annual General Meeting, an ordinary resolution, as set out as Resolution No. 6, will be proposed that the Issue Mandate will be extended by the addition to the aggregate number of the Shares which may be allotted or agreed conditionally or unconditionally to be allotted by the Directors pursuant to such general mandate of an amount representing the aggregate number of the Shares repurchased by the Company pursuant to the Repurchase Mandate being approved, provided that such extended amount in aggregate will not exceed 10% of the total number of the issued Shares on the date of the resolution approving the Issue Mandate. The full text of the ordinary resolution to be proposed at the Annual General Meeting in relation to extension of the Issue Mandate is set out in Resolution No. 6 in the Notice.

LETTER FROM THE BOARD

4. RE-ELECTION OF RETIRING DIRECTORS

Mr. Zhang Yuping, Mr. Shi Zhongyang and Mr. Liu Xueling will retire by rotation in accordance with the Articles of Association and the Code Provision of the Corporate Governance Code. Mr. Zhang Yuping, Mr. Shi Zhongyang and Mr. Liu Xueling, being eligible, offer themselves for re-election at the Annual General Meeting. Under Resolution No. 3, re-election of retiring Directors will be individually voted on by Shareholders.

Pursuant to Code Provision A.4.3 of the Corporate Governance Code set out in Appendix 14 to the Listing Rules, if an independent non-executive director serves more than nine years, his further appointment should be subject to a separate resolution to be approved by shareholders. Notwithstanding that Mr. Liu Xueling has served as independent non-executive Directors for more than nine years, (i) the Board has assessed and reviewed his annual confirmation of independence based on the criteria set out in Rule 3.13 of the Listing Rules and affirmed that Mr. Liu remains independent; (ii) the nomination committee of the Company has assessed and is satisfied of the independence of Mr. Liu; and (iii) the Board considers that Mr. Liu remains independent of management and free of any relationship which could materially interfere with the exercise of his independent judgment.

The Board also noted the positive contributions of Mr. Liu to the development of the Company's strategy and policies through his active participations at the meetings. The Board considers the extensive legal and commercial experience, skills and knowledge of Mr. Liu would bring unique perspective to the Company and thus enhance the diversity of the Board. In view of the aforesaid factors and the fact, the Board would recommend Mr. Liu for re-election at the Annual General Meeting.

Particulars of Directors proposed to be re-elected at the Annual General Meeting are set out in Appendix II of this circular.

5. ANNUAL GENERAL MEETING

The Notice of the Annual General Meeting is set out on pages 13 to 16 of this circular. At the Annual General Meeting, resolutions will be proposed to approve, inter alia, the granting of Issue Mandates and Repurchase Mandate and re-election of Directors.

A form of proxy for the Annual General Meeting is enclosed with this circular. If you do not intend to be present at the Annual General Meeting, you are requested to complete the form of proxy and return it to the Company's share registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong in accordance with the instructions printed thereon not less than 48 hours before the time fixed for the Annual General Meeting (i.e. before Wednesday, 8 May 2019 at 11:00 a.m. (Hong Kong time)). The completion and delivery of a form of proxy will not preclude you from attending and voting at the Annual General Meeting in person.

LETTER FROM THE BOARD

6. LISTING RULES REQUIREMENT

According to Rule 13.39(4) of the Listing Rules, excepts where the chairman of the meeting, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands, any vote of Shareholders at a general meeting must be taken by poll. Therefore, all the resolutions put to the vote at the Annual General Meeting will be taken by way of poll.

An announcement of the poll vote results will be published by the Company after the Annual General Meeting in the manner prescribed under Rule 13.39(5) of the Listing Rules.

7. RECOMMENDATION

The Directors believe that the proposals mentioned above, including the proposals for the grant of the Issue Mandate, the Repurchase Mandate and the extension to the Issue Mandate and re-election of Directors are in the best interests of the Company and its Shareholders. Accordingly, the Directors recommend the Shareholders to vote in favour of all of these resolutions to be proposed at the Annual General Meeting.

Yours faithfully,
By Order of the Board
HENGDELI HOLDINGS LIMITED
Zhang Yuping
Chairman

The following explanatory statement contains all the information required pursuant to Rule 10.06 of the Listing Rules to be given to all Shareholders relating to the resolution to be proposed at the Annual General Meeting authorising the Repurchase Mandate.

1. EXERCISE OF THE REPURCHASE MANDATE

It is proposed that up to 10% of the total number of issued Shares at the date of the passing of the Repurchase Mandate may be repurchased. As at the Latest Practicable Date, the total number of issued Shares was 4,662,666,959. Subject to the passing of the ordinary resolution approving the Repurchase Mandate and on the basis that no further Shares would be issued or repurchased after the Latest Practicable Date and up to the date of passing of such resolution, the Directors would be authorised to repurchase up to 466,266,695 Shares (being 10% of the total number of Shares in issue) during the period up to (a) the conclusion of the next annual general meeting of the Company; or (b) the expiration of the period within which the next annual general meeting of the Company is required by law or its Articles of Association to be held; or (c) the revocation or variation of the Repurchase Mandate by an ordinary resolution of the Shareholders in general meeting of the Company, whichever occurs first.

2. REASONS FOR REPURCHASE

The Directors have no present intention to repurchase any Shares but consider that the mandate will provide the Company the flexibility to make such repurchase when appropriate and beneficial to the Company. Such repurchases may, depending on market conditions and funding arrangements at the time, enhance the net assets value of the Company and/or earnings per Share.

3. FUNDING OF REPURCHASES

The Company is empowered by its memorandum and articles of association and the applicable laws of the Cayman Islands to repurchase its Shares. The Cayman Islands law provides that the amount of capital repaid in connection with a share repurchase may only be paid out of either the capital paid up on the relevant shares, or the profits that would otherwise be available for distribution by way of dividend or the proceeds of a new issue of shares made for such purpose. The amount of premium payable on repurchase may only be paid out of the fund of the Company that would otherwise be legally available for dividend or distribution or out of the share premium account of the Company for such purpose under the laws of the Cayman Islands. Under the Cayman Islands law, the Shares so repurchased will be treated as cancelled but the aggregate amount of authorized share capital will not be reduced so that the Shares may be subsequently re-issued.

As compared with the financial position of the Company as at 31 December 2018 (being the date of its latest published audited accounts), the Directors consider that there would be a material adverse impact on the working capital and on the gearing position of the Company in the event that the proposed repurchases were to be carried out in full during the proposed repurchase period. The Directors confirm that no repurchase would be made to such extent as would have a material adverse impact on the working capital or gearing position of the Company.

4. DIRECTORS, THEIR CLOSE ASSOCIATES AND CORE CONNECTED PERSONS

To the best of the knowledge and belief of the Directors having made all reasonable enquiries, none of the Directors nor any of the Close Associates of any Directors has any present intention, in the event that the proposed Repurchase Mandate is approved by Shareholders, to sell Shares held by him/her/it to the Company.

As at the Latest Practicable Date, no Core Connected Person has notified the Company that he/she/it has a present intention to sell Shares to the Company nor has he/she/it undertaken not to sell any of Shares held by him/her/it to the Company in the event that Repurchase Mandate is granted.

5. UNDERTAKING OF THE DIRECTORS

The Directors have undertaken to the Stock Exchange to exercise the power of the Company to make purchases pursuant to the proposed Repurchase Mandate in accordance with the Listing Rules and all applicable laws of the Cayman Islands, and in accordance with the regulations set out in the Articles of Association.

6. EFFECT OF TAKEOVERS CODE

If as a result of a share repurchase exercised pursuant to the Repurchase Mandate, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of the Takeovers Code. Accordingly, a Shareholder or a group of Shareholders acting in concert could obtain or consolidate control of the Company and become obliged to make a mandatory general offer in accordance with Rule 26 and Rule 32 of the Takeovers Code.

As at the Latest Practicable Date, to the best of the knowledge and belief of the Directors, Best Growth International Limited, held 1,505,832,901 Shares (representing approximately 32.30% of the total number of issued Shares) and Mr. Zhang Yuping, the Director and chairman of the Company, was interested or deemed to be interested in the said 1,505,832,901 Shares (representing approximately 32.30% of the total number of issued Shares). Meanwhile, Mr. Zhang Yuping personally held 79,723,600 Shares (representing approximately 1.71% of the total number of issued shares of the Company). Therefore, Mr. Zhang Yuping is interested in 1,585,556,501 Shares (representing approximately 34.01% of the total number of issued Shares) in total. In the event that the Directors exercise in full the power to repurchase Shares

in accordance with the terms of the Resolution No. 5B to be proposed at the Annual General Meeting, then (if the present shareholdings otherwise remained the same) the respective shareholding of Best Growth International Limited and Mr. Zhang Yuping in the Company would be increased to approximately 35.88% and 37.78% of the total number of issued Shares and accordingly Best Growth International Limited and Mr. Zhang Yuping will be obliged to make a mandatory offer under Rule 26 of the Takeovers Code.

As at the Latest Practicable Date, the Directors have no present intuition to exercise the Repurchase Mandate to such an extent that would result in takeover obligations. The Directors also have no intention to repurchase Shares which would result in the number of Shares in the hands of public falling below the prescribed minimum percentage of 25%.

7. SHARE PURCHASES MADE BY THE COMPANY

During each of six months preceding the Latest Practicable Date, no Share has been repurchased by the Company, whether on the Stock Exchange or otherwise.

8. SHARE PRICES

The highest and lowest prices at which the Shares had traded on the Stock Exchange in each of the previous twelve months prior to the Latest Practicable Date were as follows:–

	Shares	
	Highest Price HK\$	Lowest Price HK\$
2018		
April	0.385	0.360
May	0.395	0.360
June	0.400	0.355
July	0.365	0.345
August	0.365	0.315
September	0.345	0.285
October	0.365	0.320
November	0.335	0.305
December	0.350	0.290
2019		
January	0.340	0.295
February	0.370	0.335
March (up to the Latest Practicable Date)	0.430	0.360

1. PARTICULARS OF THE DIRECTORS

The following are particulars of the directors to be retired and proposed to be re-elected at the Annual General Meeting:

Mr. Zhang Yuping (alias Cheung Yu ping) (張瑜平) (“Mr. Zhang”)

Mr. Zhang Yuping (alias Cheung Yu ping) (張瑜平), aged 58, is the chairman and an executive Director of the Company. He is the founder of the Group and is in charge of the Group’s strategic development and overall management. He has over 30 years of management experience in mid-to-high-end internationally renowned watches and other consumer goods distribution industry. Mr. Zhang is also the director of Best Growth International Limited, the substantial shareholder of the Company.

Pursuant to terms of a service contract entered into between the Company and Mr. Zhang, Mr. Zhang serves as an executive Director for 3 years commencing from 26 September 2017. The service contract may be terminated by not less than three month’s prior notice in writing served by each party on the other in accordance with the Articles of Association. The Director’s fee payable to him is determined by the Directors pursuant to the authority granted by the Shareholders at the Annual General Meeting and by reference to his duties and responsibilities with the Company, the Company’s current standards for emolument and the market condition. Mr. Zhang’s current annual remuneration is HK\$240,000. As at the Latest Practicable Date, to the best knowledge and belief of the Company, Mr. Zhang was interested or deemed to be interested in 1,585,556,501 Shares (representing approximately 34.01% of the issued share capital of the Company) within the meaning of Part XV of the Securities and Futures Ordinance.

Save as disclosed in this circular, Mr. Zhang has no relationship with any Directors or the senior management of the Company, or with any management Shareholders, substantial Shareholders or controlling Shareholders. Mr. Zhang has not held any directorship in any other listed company in the last 3 years. Save as disclosed in this circular, Mr. Zhang has confirmed that there are no other matters that need to be brought to the attention of the Shareholders in connection with his re-election, nor is there any information required to be disclosed pursuant to Rules 13.51(2) of the Listing Rules.

Mr. Shi Zhongyang (史仲陽) (“Mr. Shi”)

Mr. Shi Zhongyang (史仲陽), aged 44, is a non-executive Director. Mr. Shi graduated from Nanjing University in the PRC and University of Goetting in Germany with a Master’s Degree in Law. Mr. Shi joined The Swatch Group Limited in 2000 and joined the Group in 2006. He is currently a legal counsel of the legal department of The Swatch Group Limited.

Pursuant to terms of a service contract entered into between the Company and Mr. Shi, Mr. Shi serves as a non-executive Director for 3 years commencing from 15 February 2018. The service contract may be terminated by not less than three month’s prior notice in writing served by each party on the other in accordance with the Articles of Association. The Director’s fee payable to him will be determined by the Directors pursuant to the authority granted by the Shareholders at the Annual General Meeting and by reference to his duties and responsibilities with the Company, the Company’s current standards for emolument and the market condition. Mr. Shi’s current annual director fee, including any bonus payments, is HK\$100,000. As at the Latest Practicable Date, to the best knowledge and belief of the Company, Mr. Shi does not have any interest in the Shares within the meaning of Part XV of the Securities and Futures Ordinance.

Mr. Shi has no relationship with any Directors or the senior management of the Company, or with any management Shareholders, substantial Shareholders or controlling Shareholders. Mr. Shi has not held any directorship in any other listed company in the last 3 years. Save as disclosed in this circular, Mr. Shi has confirmed that there are no other matters that need to be brought to the attention of the Shareholders in connection with his re-election, nor is there any information required to be disclosed pursuant to Rules 13.51(2) of the Listing Rules.

Mr. Liu Xueling (劉學靈) (“Mr. Liu”)

Mr. Liu Xueling (劉學靈), aged 61, is an independent non-executive Director. He graduated from East China Normal University in Shanghai with a Doctorate Degree in History. At present, he is a senior lawyer in Shanghai Tongyan Law Firm (上海市通研律師事務所). He joined the Group in 2007. He is currently an independent director of Shanghai Qiangsheng Holding Co., Ltd. (listed on the Shanghai Stock Exchange, stock code: 600662) and Shanghai Yimin Commercial Group Co., Ltd. (listed on the Shanghai Stock Exchange, stock code: 600824).

Pursuant to terms of a service contract entered into between the Company and Mr. Liu, Mr. Liu serves as an independent non-executive Director for 3 years commencing from 1 June 2016. The service contract may be terminated by not less than three month’s prior notice in writing served by each party on the other in accordance with the Articles of Association. The Director’s fee payable to him is determined by the Directors pursuant to the authority granted by the Shareholders at the Annual General Meeting and by reference to his duties and responsibilities with the Company, the Company’s current standards for emolument and the market condition. Mr. Liu’s current annual director fee, including any bonus payments, is HK\$100,000. As at the Latest Practicable Date, to the best knowledge and belief of the Company, Mr. Liu does not have any interest in the Shares within the meaning of Part XV of the Securities and Futures Ordinance.

Mr. Liu has no relationship with any Directors or the senior management of the Company, or with any management Shareholders, substantial Shareholders or controlling Shareholders. Save as disclosed above, Mr. Liu has not held any directorship in any other listed company in the last 3 years. Save as disclosed in this circular, Mr. Liu has confirmed that there are no other matters that need to be brought to the attention of the Shareholders in connection with his re-election, nor is there any information required to be disclosed pursuant to Rules 13.51(2) of the Listing Rules.

Notwithstanding that Mr. Liu has served as an independent non-executive Director since 2007, he has provided his annual confirmation of independence to the Company pursuant to Rule 3.13 of the Listing Rules. During his years of appointment, Mr. Liu has not been involved in the daily management of the Company nor in any relationships which would interfere with his independent judgment, and he has demonstrated his ability to provide an independent, balanced and objective view to the Company’s affairs. The Company is of the view that Mr. Liu meets the independence guidelines set out in Rule 3.13 of the Listing Rules and is regarded as independent in accordance with the terms of the guidelines. Notwithstanding the length of his service, the Company believes that Mr. Liu’s valuable knowledge and experience in the Group’s business will continue to bring diversity to the Board and benefit the Company and the Shareholders as a whole. The Directors, therefore, recommend Mr. Liu for re-election at the Annual General Meeting. Pursuant to Code Provision A.4.3 of the Corporate Governance Code set out in Appendix 14 to the Listing Rules, such re-election will be subject to a separate resolution to be approved by the Shareholders at the Annual General Meeting.

NOTICE OF ANNUAL GENERAL MEETING



HENGDELI HOLDINGS LIMITED

亨得利控股有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 3389)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the annual general meeting (the “Annual General Meeting”) of the shareholders of Hengdeli Holdings Limited (the “Company”) will be held at Lotus Room, 6/F, Marco Polo Hongkong Hotel, No. 3 Canton Road, Harbour City, Tsim Sha Tsui, Kowloon, Hong Kong on Friday, 10 May 2019 at 11:00 a.m. for the following purposes:

1. To receive and consider the audited financial statements of the Company and its subsidiaries and the report of directors and auditors of the Company for the year ended 31 December 2018.
2. To declare and approve the final dividend.
3. To re-elect directors, each as separate resolution, and authorise the board of directors of the Company to fix their remuneration.
4. To re-appoint KPMG as auditors and authorise the board of directors of the Company to fix their remuneration.
5. As special business, to consider and, if thought fit, to pass the following as ordinary resolutions:

A. **“THAT**

- (a) subject to paragraph (c) of this resolution, the exercise by the directors of the Company (the “Directors”) during the Relevant Period (as defined below) of all powers to allot, issue and deal with additional shares in the capital of the Company, and to make or grant offers, agreements, options and warrants which would or 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 authorise the Directors during the Relevant Period to make or grant offers, agreements, options and warrants which might require the exercise of such power after the end of the Relevant Period;

NOTICE OF ANNUAL GENERAL MEETING

(c) the aggregate number of shares of the Company allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the Directors pursuant to the approval in paragraph (a) of this resolution, otherwise than pursuant to:

- (i) a Rights Issue (as defined below);
- (ii) any option scheme or similar arrangement for the time being adopted for the grant or issue to officers and/or employees of the Company and/or any of its subsidiaries 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 the cash payment for a dividend on shares of the Company in accordance with the articles of association of the Company,

shall not exceed the aggregate of 20% of the total number of issued shares of the Company as at the date of this resolution and the said approval shall be limited accordingly;

(d) for the purpose of this resolution, “Relevant Period” means the period from 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; and
- (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.”

“Rights Issue” means an offer of shares or other securities of the Company open for a period fixed by the Directors to holders of shares of the Company or any class thereof on the register on a fixed record date in proportion to their then holdings of such shares or class thereof (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 any recognised regulatory body or any stock exchange in, any territory outside the Hong Kong Special Administrative Region of the People’s Republic of China).

NOTICE OF ANNUAL GENERAL MEETING

B. **“THAT**

- (a) subject to paragraph (b) of this resolution, the exercise by the Directors during the Relevant Period (as defined below) of all the powers of the Company to purchase its own shares on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”), subject to and in accordance with all applicable laws and the requirements of the Rules Governing the Listing of Securities on the Stock Exchange or of any other stock exchange, be and is hereby generally and unconditionally approved and authorised;
 - (b) the aggregate number of shares of the Company 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 total number of issued shares of the Company as at the date of passing this resolution and the said approval shall be limited accordingly; and
 - (c) for the purpose of this resolution, “Relevant Period” means the period from 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; and
 - (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.”
6. As special business, to consider and, if thought fit, to pass the following as ordinary resolution:

“**THAT** conditional upon resolutions nos. 5A and 5B being passed, the aggregate number of shares of the Company which are repurchased by the Company under the authority granted to the Directors as mentioned in resolution no. 5B shall be added to the aggregate number of shares of the Company that may be allotted or agreed conditionally or unconditionally to be allotted by the Directors pursuant to resolution no. 5A above.”

By Order of the Board
HENGDELI HOLDINGS LIMITED
Zhang Yuping
Chairman

Hong Kong, 4 April 2019

NOTICE OF ANNUAL GENERAL MEETING

Notes:

- (1) Any 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, on a poll, vote instead of him. A proxy need not be a member of the Company. All proxies must be deposited with the Company's share registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not less than 48 hours before the time appointed for the meeting (i.e. before Wednesday, 8 May 2019 at 11:00 a.m. (Hong Kong time)).
- (2) The register of members of the Company will be closed from Tuesday, 7 May 2019 to Friday, 10 May 2019 (both days inclusive). In order to be qualified for attending the Annual General Meeting, all transfers accompanied by the relevant share certificates must be lodged with the Company's share registrar, Computershare Hong Kong Investor Services Limited, Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. (Hong Kong time) on Monday, 6 May 2019.

Further, the register of members of the Company will be closed from Friday, 17 May 2019 to Tuesday, 21 May 2019 (both days inclusive). In order to establish entitlements to the proposed final dividend, all transfers accompanied by the relevant share certificates must be lodged with the Company's share registrar, Computershare Hong Kong Investor Services Limited, Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. (Hong Kong time) on Thursday, 16 May 2019.
- (3) Mr. Zhang Yuping, Mr. Shi Zhongyang and Mr. Liu Xueling will retire by rotation and, being eligible, offer themselves for re-election at the Annual General Meeting.
- (4) If the declaration of the final dividend has been approved at the Annual General Meeting, the dividend will be payable on or before Friday, 31 May 2019.
- (5) As at the date of this circular, the executive Directors are Mr. Zhang Yuping (Chairman), Mr. Huang Yonghua and Mr. Lee Shu Chung, Stan; the non-executive Director is Mr. Shi Zhongyang; and the independent non-executive Directors are Mr. Cai Jianmin, Mr. Wong Kam Fai, William and Mr. Liu Xueling.