
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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 Tuesday, 30 June 2020 at 11:00 a.m. is set out on pages 14 to 17 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. Completion and delivery of a form of proxy will not preclude you from attending and voting at the annual general meeting in person.

PRECAUTIONARY MEASURES FOR THE AGM

Please refer to page 1 of this circular for measures being taken at the AGM to try to prevent and control the spread of COVID-19, including:

- 1) Compulsory temperature screening/checks;
- 2) Wearing of surgical face mask;
- 3) Physical distancing at venue; and
- 4) No provision of refreshments or drinks, and corporate gifts or gift coupons.

Any person who does not comply with the precautionary measures may be denied entry into the AGM venue. The Company requests attendees to wear surgical face masks and reminds Shareholders that they may appoint the Chairman of the AGM as their proxy to vote on the relevant resolutions at the AGM as an alternative to attending the AGM in person.

28 May 2020

PRECAUTIONARY MEASURES FOR THE AGM

In light of the continuing risks posed by COVID-19, the Company is adopting the following precautionary measures at the AGM in order to safeguard the health and safety of the Shareholders who might be attending the AGM in person:

1. Compulsory temperature screening/checks will be carried out on every attendee at the entrance of the AGM venue. Any person with a body temperature above 37.4 degrees Celsius or the reference point announced by the Department of Health from time to time, or is exhibiting flu-like symptoms may be denied entry into the AGM venue and requested to leave the AGM venue;
2. Every attendee will be required to wear a surgical face mask at the AGM venue and throughout the AGM and to sit at a distance from the other attendees. **Please note that no surgical face masks will be provided at AGM venue and attendees should bring and wear their own masks;**
3. No refreshment or drinks will be provided to the attendees at the AGM; and
4. No corporate gifts or gift coupons will be provided to the attendees at the AGM.

To the extent permitted under law, the Company reserves the right to deny entry into the AGM venue or require any person to leave the AGM venue so as to ensure the health and safety of the other attendees at the AGM.

Due to the constantly evolving COVID-19 pandemic situation in Hong Kong, the Company may be required to change the AGM arrangements at short notice. Shareholders should check the websites of the Company (www.hengdeligroup.com) and the Stock Exchange (www.hkexnews.hk) for further announcements and updates on the AGM arrangements.

Voting by proxy in advance of the AGM: The Company does not in any way wish to diminish the opportunity available to the Shareholders to exercise their rights to vote, but are conscious of the pressing need to protect them from possible exposure to the COVID-19 pandemic. For the health and safety of the Shareholders, the Company would like to encourage Shareholders to exercise their right to vote at the AGM by appointing the Chairman of the AGM as their proxy instead of attending the AGM in person. Physical attendance is not necessary for the purpose of exercising rights of the Shareholders.

The deadline to submit completed proxy forms is not less than 48 hours before the time appointed for the holding of the AGM. Completed proxy forms must be deposited at the Company's branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited, at or before the deadline.

Appointment of proxy by non-registered Shareholders: Non-registered Shareholders whose Shares are held through banks, brokers, custodians or the HKSCC should consult directly with their banks or brokers or custodians (as the case may be) for assistance in the appointment of proxy.

If Shareholders have any questions relating to the AGM, please contact the Company's branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited, as follows:

Computershare Hong Kong Investor Services Limited
17M/F, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong
Tel: +852 2862 8555
Fax: +852 2865 0990
Email: hkinfo@computershare.com.hk

DEFINITIONS

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

“Annual General Meeting” or “AGM”	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 Tuesday, 30 June 2020 at 11:00 a.m., the notice of which is set out on pages 14 to 17 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. 4A
“Latest Practicable Date”	22 May 2020, 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 14 to 17 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. 4B
“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

28 May 2020

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, among other things, 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. 4A, 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. 4A 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. 4B, 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. 4B 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. 5, 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. 5 in the Notice.

LETTER FROM THE BOARD

4. RE-ELECTION OF RETIRING DIRECTORS

Mr. Lee Shu Chung, Stan, Mr. Cai Jianmin and Mr. Wong Kam Fai, William will retire by rotation in accordance with the Articles of Association and the Code Provision of the Corporate Governance Code. Mr. Lee Shu Chung, Stan, Mr. Cai Jianmin and Mr. Wong Kam Fai, William, being eligible, offer themselves for re-election at the Annual General Meeting. Under Resolution No. 2, 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. Cai Jianmin and Mr. Wong Kam Fai, William have served as independent non-executive Directors for more than nine years, (i) the Board has assessed and reviewed their annual confirmation of independence based on the criteria set out in Rule 3.13 of the Listing Rules and affirmed that Mr. Cai and Mr. Wong remain independent; (ii) the nomination committee of the Company has assessed and is satisfied of the independence of Mr. Cai and Mr. Wong; and (iii) the Board considers that Mr. Cai and Mr. Wong remain independent of management and free of any relationship which could materially interfere with the exercise of their independent judgment. In view of the aforesaid factors, the Board opines that Mr. Cai and Mr. Wong still maintain independent although they have served in the Company for long and believes that their experience and knowledge in the business sectors in which the Company operates would bring huge benefits to the Board, the Company and the Shareholders. The Board would recommend Mr. Cai and Mr. Wong 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 14 to 17 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. 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 disclosed in its most recent 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 91,723,600 Shares (representing approximately 1.96% of the total number of issued shares of the Company). Therefore, Mr. Zhang Yuping is interested in 1,597,556,501 Shares (representing approximately 34.26% 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. 4B 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 38.07% 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 <i>HK\$</i>	Lowest Price <i>HK\$</i>
2019		
May	0.405	0.365
June	0.42	0.385
July	0.43	0.4
August	0.44	0.39
September	0.395	0.36
October	0.36	0.31
November	0.335	0.305
December	0.34	0.31
2020		
January	0.345	0.295
February	0.3	0.26
March	0.315	0.295
April	0.325	0.275
May (till the Latest Practicable Date)	0.325	0.295

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. Lee Shu Chung, Stan (李樹忠) (“Mr. Lee”)

Mr. Lee Shu Chung, Stan (李樹忠), aged 60, is an executive Director. He joined the Group in 2007 and is responsible for overall coordination and management of the Group’s retail business and brand wholesale business. Mr. Lee has nearly 30 years of experience in watch manufacturing, retail and distribution.

Pursuant to terms of a service contract entered into between the Company and Mr. Lee, Mr. Lee will serve as an executive Director for 3 years commencing from 15 May 2019. The service contract may be terminated by not less than three months’ 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. Lee’s current annual remuneration, including any bonus payments, is HK\$180,000 pursuant to terms of the service contract. As at the Latest Practicable Date, to the best knowledge and belief of the Company, Mr. Lee was interested or deemed to be interested in 5,920,000 Shares (representing approximately 0.13% of the total number of issued Shares) within the meaning of Part XV of the Securities and Futures Ordinance.

Mr. Lee has no relationship with any Directors or the senior management of the Company, or with any substantial Shareholders or controlling Shareholders. Mr. Lee has not held any directorship in any other listed company in the last 3 years. Save as disclosed in this circular, Mr. Lee 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. Cai Jianmin (蔡建民) (“Mr. Cai”)

Mr. Cai Jianmin (蔡建民), aged 76, is an independent non-executive Director. He graduated from the industrial accounting faculty (工業會計系) of Shanghai College of Finance and Economics (上海財經學院). Mr. Cai holds a Certificate for Professional Accountants (會計從業資格證書) in the PRC. He had held senior financial management positions for various companies including Shanghai Hualian (Group) (上海華聯(集團)). Mr. Cai joined the Group in 2005.

Pursuant to terms of a service contract entered into between the Company and Mr. Cai, Mr. Cai will serve as an independent non-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 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. Cai’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. Cai does not have any interest in the Shares within the meaning of Part XV of the Securities and Futures Ordinance.

Mr. Cai has no relationship with any Directors or the senior management of the Company, or with any management Shareholders, substantial Shareholders or controlling Shareholders. In the past 3 years, Mr. Cai had retired as an independent director of Shanghai Dazhong Public Utilities (Group) Co., Ltd. (SSE Stock Code: 600635, SEHK Stock Code: 01635) and Shanghai Kai Chuang Marine International Co., Ltd. (SSE Stock Code: 600097) on 25 May 2017 and 7 November 2017 respectively and has acted as an independent director of Jiangsu Guotai International Group Co., Ltd. (SSE Stock Code: 002091) since 23 December 2019. Save as disclosed in this circular, Mr. Cai 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. Cai has served as an independent non-executive Director since September 2005, 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. Cai 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. Cai 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. Cai’s valuable knowledge and experience in the Group’s business will continue to benefit the Company and the Shareholders as a whole. The Directors, therefore, recommend Mr. Cai 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.

Mr. Wong Kam Fai, William (黃錦輝) (“Mr. Wong”)

Mr. Wong Kam Fai, William (黃錦輝), aged 60, is an independent non-executive Director. He graduated from University of Edinburgh, Scotland with a Bachelor’s Degree and a Doctorate Degree in Electrical Engineering. Mr. Wong is currently a professor in the Department of Systems Engineering and Engineering Management in The Chinese University of Hong Kong and a member of the 13th national committee of CPPCC. He obtained the qualification as a Chartered Engineer in 1991, and is now a member of the Institute of Electrical Engineers and a professional member of the Association of Computing Machinery. Mr. Wong joined the Group in 2005.

Pursuant to terms of a service contract entered into between the Company and Mr. Wong, Mr. Wong will serve as an independent non-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 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. Wong’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. Wong does not have any interest in the Shares within the meaning of Part XV of the Securities and Futures Ordinance.

Mr. Wong has no relationship with any Directors or the senior management of the Company, or with any management Shareholders, substantial Shareholders or controlling Shareholders. Mr. Wong has not held any directorship in any other listed company in the last 3 years. Save as disclosed in this circular, Mr. Wong 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. Wong has served as an independent non-executive Director since September 2005, 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. Wong 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. Wong 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. Wong’s valuable knowledge and experience in the Group’s business will continue to benefit the Company and the Shareholders as a whole. The Directors, therefore, recommend Mr. Wong 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 of 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 Tuesday, 30 June 2020 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 2019.
2. To re-elect directors, each as separate resolution, and authorise the board of directors of the Company to fix their remuneration.
3. To re-appoint ZHONGHUI ANDA CPA Limited as auditors and authorise the board of directors of the Company to fix their remuneration.
4. 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;

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(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).

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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.”
5. As special business, to consider and, if thought fit, to pass the following as ordinary resolution:

“**THAT** conditional upon resolutions nos. 4A and 4B 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. 4B 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. 4A above.”

By Order of the Board
HENGDELI HOLDINGS LIMITED
Zhang Yuping
Chairman

Hong Kong, 28 May 2020

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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.
- (2) The register of members of the Company will be closed from Wednesday, 24 June 2020 to Tuesday, 30 June 2020 (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 Tuesday, 23 June 2020.
- (3) Mr. Lee Shu Chung, Stan, Mr. Cai Jianmin and Mr. Wong Kam Fai, William will retire by rotation and, being eligible, offer themselves for re-election at the Annual General Meeting.
- (4) 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.