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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)

ONSHORE DEBT RESTRUCTURING

Reference is made to the announcements of Hidili Industry International Development Limited (the “**Company**”) dated 30 October 2015, 4 November 2015, 4 May 2016, 30 November 2016 and 18 January 2017 (the “**Announcements**”) in relation to, among other things, the onshore debt restructuring of the Company. Capitalised terms used in this announcement shall have the same meanings as defined in the Announcements unless otherwise stated.

Since the setup of the Onshore Creditors Committee on 26 April 2016, the Company continued to negotiate with the Lending Banks for the terms and framework in relation to the proposed restructuring entered into on 18 January 2017. Basically, the Company and the Onshore Creditors Committee have agreed to convert certain Onshore Debts into newly issued ordinary shares of the Company and to extend the remaining balance of the Onshore Debts to a further term of five years.

PRELIMINARY RESTRUCTURING FRAMEWORK

On 21 April 2020, the Company and the Onshore Creditors Committee have reached an agreement on the Preliminary Restructuring Framework regarding the settlement of the Onshore Debts.

The principal terms of the Preliminary Restructuring Framework are set out below:

Parties

- (1) Minsheng Bank
- (2) Ping An Bank
- (3) Merchants Bank
- (4) Panzhihua Commerical Bank

(5) China Cinda

(Parties (1) to (5) collectively as “**Lending Banks**”)

(6) The Company

(7) Hidili China

(8) Mr. Xian

Onshore Debts

Under the Preliminary Restructuring Framework, the Onshore Debts include:

- (1) Outstanding Principal – the aggregate outstanding loan principal of respective Lending Banks as at 31 December 2018 amounting to approximately RMB5,867 million (equivalent to approximately HK\$6,504 million), and
- (2) Outstanding Interest – the aggregate outstanding interest payable to respective Lending Banks from the date of default to the commencement of the Post Syndication Agreement, arising from:–
 - (i). Conversion Interest – Interest payable of approximately RMB1,050 million (equivalent to approximately HK\$1,164 million), calculated at 4.75% per annum on the outstanding loan principal of respective Lending Banks from the date of default to 31 December 2018; and
 - (ii). Transitional Interest – Interest payable from 1 January 2019 to the commencement of the Post Syndication Agreement, calculated at 3% per annum on the outstanding loan principal of respective Lending Banks.

Debts to Equity

Under the Preliminary Restructuring Framework, the Company and the Onshore Creditors Committee have agreed to convert the Conversion Interest of approximately RMB1,050 million (equivalent to approximately HK\$1,164 million) into newly issued ordinary shares of the Company.

As of the date of this announcement, the terms of the conversion of newly issued ordinary shares of the Company have not yet been finalised.

Post Syndication Agreement

The Company, Hidili China, Mr. Xian and the Lending Banks have agreed to enter into the Post Syndication Agreement to which the parties conditionally agreed to extend the terms of the Remaining Debts to 4 February 2025.

(1) *Remaining Debts*

The Remaining Debts include the Outstanding Principal and the Transitional Interest. As at 30 November 2019, the Remaining Debts amounted to approximately RMB6,484 million (equivalent to approximately HK\$7,188 million) representing the Outstanding Principal of approximately RMB5,867 million (equivalent to approximately HK\$6,504 million) and the Transitional Interest of approximately RMB617 million (equivalent to approximately HK\$684 million).

(2) *Extension of Remaining Debts*

In accordance with the Post Syndication Agreement, the Remaining Debts will be repaid as follows:

(i) *Fixed portion*

- (a) RMB230 million (equivalent to approximately HK\$255 million) within the first calendar year from the date of the Post Syndication Agreement;
- (b) RMB350 million (equivalent to approximately HK\$388 million) within the second calendar year from the date of the Post Syndication Agreement;
- (c) RMB700 million (equivalent to approximately HK\$776 million) within the third calendar year from the date of the Post Syndication Agreement;
- (d) RMB800 million (equivalent to approximately HK\$887 million) within the fourth calendar year from the date of the Post Syndication Agreement; and
- (e) RMB800 million (equivalent to approximately HK\$887 million) within the fifth calendar year from the date of the Post Syndication Agreement.

(ii) *Variable portion*

Addition annual repayment of the outstanding Remaining Debts will be paid progressively, ranging from 1% to 6%, on the net cashflow generated by the Company for the year exceeding RMB100 million (equivalent to approximately HK\$111 million).

(iii) Remaining portion

The repayment of the outstanding Remaining Debts will be subject to further negotiations with the respective Lending Banks on or before 4 February 2025.

(3) Post Syndication Interest

3% per annum on the outstanding Remaining Debts will be charged in the first three years from the date of the Post Syndication Agreement. 4.275% per annum on the outstanding Remaining Debts will be charged in the fourth to fifth years from the date of the Post Syndication Agreement.

Other principal terms

- (1) The guarantees by the Company, Hidili China and Mr. Xian and securities pledged over the assets of the Group under the original borrowing agreements with respective Lending Banks will remain unchanged and effective throughout the extension period of the Post Syndication Agreement.
- (2) The Onshore Creditors Committee will appoint representatives or engage professionals to monitor the mine production, mine operations, mine development, sales of coal products and finance of the Company's mining region in Sichuan and Guizhou provinces.

Further documents and/or agreements containing detailed terms for the Preliminary Restructuring Framework subject to the latest status of the outstanding Onshore Debts will be concluded and signed by individual Lending Banks with the Company.

The Company will issue further announcement(s) as and when necessary if there are other material developments in the Preliminary Restructuring Framework.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise:

“Board” the board of Directors

“China Cinda” 中國信達資產管理股份有限公司四川省分公司(China Cinda Assets Management Co., Ltd Sichuan Branch*), a company incorporated in the PRC with limited liability

“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 Stock Exchange
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Conversion Interest”	interest at 4.75% per annum payable to respective Lending Banks on outstanding loan principal from the date of default to 31 December 2018 under the Preliminary Restructuring Framework
“Director(s)”	director(s) of the Company
“Group”	the Company and its subsidiaries
“Hidili China”	恒鼎實業(中國)集團有限公司 (Hidili Industry (China) Group Co., Ltd.*), a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Lending Banks”	Minsheng Bank, Ping An Bank, Merchants Bank, Panzhihua Commerical Bank and China Cinda collectively
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Merchants Bank”	招商銀行股份有限公司深圳車公廟支行(China Mechants Bank Shenzhen Che Gong Miao Sub-Branch*), a company incorporated in the PRC with limited liability
“Minsheng Bank”	中國民生銀行股份有限公司成都分行(China Minsheng Banking Corp. Ltd Chengdu Branch*), a company incorporated in the PRC with limited liability
“Mr. Xian”	Mr. Xian Yang, the chairman of the Company
“Onshore Creditors Committee”	the creditors committee of the onshore Lending Banks

“Onshore Debts”	an aggregate amount of Outstanding Principal and Outstanding Interest under the Preliminary Restructuring Framework
“Outstanding Interest”	an aggregate amount of Conversion Interest and Transitional Interest under the Preliminary Restructuring Framework
“Outstanding Principal”	an aggregate amount of outstanding loan principal of respective Lending Banks under the Preliminary Restructuring Framework
“Panzhuhua Commercial Bank”	攀枝花市商業銀行股份有限公司竹湖園支行(Panzhuhua City Commercial Bank Ltd, Zhuhuyuan Branch*), a company incorporated in the PRC with limited liability
“Ping An Bank”	平安銀行股份有限公司成都分行及昆明分行(Ping An Bank Co., Ltd Chengdu Branch and Kunming Branch*), companies incorporated in the PRC with limited liability
“Post Syndication Agreement”	a conditional agreement to be entered into among the Lending Banks, the Company, Hidili China and Mr. Xian Yang in relation to the extension of the Remaining Debts
“Post Syndication Interest”	interest payable to Lending Banks under the Post Syndication Agreement
“PRC”	the People’s Republic of China which, for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Preliminary Restructuring Framework”	a preliminary restructuring framework reached between the Company and the Onshore Creditors Committee on 21 April 2020 regarding the settlement of Onshore Debts
“Remaining Debts”	an aggregate amount of Outstanding Principal and Transitional Interest under the Post Syndication Agreement
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	share(s) of HK\$0.10 each in the capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Transitional Interest” Interest at 3% per annum payable to respective Lending Banks on the outstanding loan principal from 1 January 2019 to the commencement of the Post Syndication Agreement

“%” per cent

By Order of the Board
Hidili Industry International Development Limited
Xian Yang
Chairman

Hong Kong
21 April 2020

As at the date of this announcement, the executive directors of the Company are Mr. Xian Yang (Chairman), Mr. Sun Jiankun and Mr. Zhuang Xianwei and the independent non-executive directors of the Company are Mr. Chan Shiu Yuen Sammy, Mr. Huang Rongsheng and Ms. Xu Manzhen.

For the purpose of this announcement, amounts in RMB have been translated into Hong Kong dollars at HK\$1.00 equal to RMB0.90209. No representation is made that any amount in RMB or Hong Kong dollars could have been or could be converted at the above rate or at any other rates or at all.

* *For identification purpose only*