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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)

LITIGATION IN SICHUAN

This announcement is made by Hidili Industry International Development Limited (the “**Company**”) pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The Company hereby announces that both of 四川浩航商貿有限公司(Sichuan Haohang Trading Company Limited*) (“**Sichuan Haohang**”), a wholly owned subsidiary of the Company, and 四川恒鼎實業有限公司(Sichuan Hidili Industry Co., Ltd.*) (“**Sichuan Hidili**”), a wholly owned subsidiary of the Company, received a Notice of Court Action attaching the writ of summons (“**Writ**”) issued by the Higher People’s Court of Sichuan Province of the People’s Republic of China (四川省高級人民法院) on 1 June 2017. Pursuant to the Writ, Chengdu Branch of Shanghai Pudong Development Bank (“**Plaintiff**”) filed a civil complaint against (i) Sichuan Haohang, (ii) Sichuan Hidili, (iii) 六盤水恒鼎實業有限公司 (Liupanshui Hidili Industry Co., Ltd*) (“**Liupanshui Hidili**”), a wholly owned subsidiary of the Company, and (iv) 恒鼎實業(中國)集團有限公司 (Hidili Industry (China) Group Limited*) (“**Hidili China**”), a wholly owned subsidiary of the Company, in respect of a loan agreement dispute case. The Plaintiff claims against Sichuan Haohang and Sichuan Hidili for relief, among others, the outstanding principal amount as of 25 August 2016 and the default interest payment (calculated as at 18 April 2017) of approximately RMB134 million and RMB134 million respectively under the Agreement of Establishing Bank Promissory Note Business entered into between the Plaintiff and Sichuan Haohang and Sichuan Hidili on 25 February 2016 where Liupanshui Hidili pledged certain assets and mining rights and Hidili China acted as guarantor.

The Board of Directors (the “**Board**”) of the Company is proactively discussing and communicating with the Plaintiff regarding a debt restructuring scheme. Other onshore lending banks are also proactively implementing the restructuring scheme and will not be affected by this litigation. The Board considers that the Plaintiff acts alone. The Board either is still seeking methods to persuade the Plaintiff to participate in the restructuring scheme again or will negotiate with the Plaintiff separately for other solutions.

The Company will keep its shareholders and potential investors informed of any further significant development when appropriate. Shareholders of the Company and potential investors should accordingly exercise caution when dealing in the securities of the Company.

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

Hong Kong, 5 June 2017

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. Huang Rongsheng, Mr. Sung Wing Sum and Ms. Xu Manzhen.

** For identification purposes only*