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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)

FURTHER UPDATE ON OFFSHORE DEBT RESTRUCTURING

References are made to (i) the announcements of Hidili Industry International Development Limited (the “**Company**”) dated 30 October 2015, 4 November 2015, 14 December 2015, 11 March 2016, 22 April 2016 and 18 January 2017 in relation to, among other things, the progress of negotiation of the debt restructuring between the Company and the Steering Committee; and (ii) the announcement of the Company dated 13 July 2020 in relation to the execution of the 2020 Termsheet between the Company and the Steering Committee (the “**Announcements**”). Unless otherwise stated, capitalised terms used in this announcement shall have the same meanings as those defined in the Announcements.

In view of the delay in the progress of the debt restructuring, on 30 April 2021, the Company and the Steering Committee entered into the amended and restated termsheet (the “**Amended and Restated Termsheet**”) to amend certain timelines and fees of the debt restructuring, which replaced and superseded the 2020 Termsheet (and any amendment and variation thereto) in its entirety.

The key changes to the terms of the 2020 Termsheet in the Amended and Restated Termsheet are set out below:

1. RESTRUCTURING EFFECTIVE DATE

The Restructuring Effective Date was amended to refer to 31 July 2021 instead of 31 December 2020 (unless extended by the Steering Committee at its absolute discretion).

2. ACCRUED INTEREST AMOUNT (POST-2020 TERMSHEET SIGNING DATE)

The Accrued Interest Amount (Post-2020 Termsheet Signing Date) was amended to refer to the amount of interest accruing on the Claim Amount on Default Date at 3% per annum from (and including) the 2020 Termsheet Signing Date, being 13 July 2020, to (and excluding) the Restructuring Effective Date.

3. SETTLEMENT OF THE TOTAL ACCRUED INTEREST AMOUNT

The Total Accrued Interest Amount will be paid to the Noteholders in the form of Zero-Coupon Bonds to be issued to Noteholders on the Restructuring Effective Date. Payments on the Zero-Coupon Bonds will be made in accordance with the following amended principal amortisation schedule:

- (1) 1/16 of the Total Accrued Interest Amount within 30 days from the Restructuring Effective Date;
- (2) 1/8 of the Total Accrued Interest Amount within 120 days from the Restructuring Effective Date;
- (3) 3/16 of the Total Accrued Interest Amount on or before 31 January 2022;
- (4) 5/16 of the Total Accrued Interest Amount on or before 31 July 2022; and
- (5) 5/16 of the Total Accrued Interest Amount on or before 30 November 2022.

4. SPP ISSUER BUYBACK

The provision regarding the SPP Issuer Buyback was amended as follows.

The Company may use its own cash to buy back all or part of the unsold SPP Shares at the price specified below, provided that (a) the Total Accrued Interest Amount have been fully paid and (b) the SPP Shares Account Secondary Manager Intervention has not been triggered:

- (i) at 90% of the USD Conversion Price, if (and only if) the 5-day-average daily volume weighted average price of the SPP Shares is less than 90% of the Conversion Price at the immediate close prior to the announcement of the buyback of the unsold SPP Shares;
- (ii) or else, at the USD Conversion Price.

The price listed in sub-paragraph (i) above will not apply and the Company shall buy back at the Conversion Price:

- (iii) if a Trigger Event happens before the settlement of the buyback; or
- (iv) at any time after the date that is 18 months from the Restructuring Effective Date.

Under the 2020 Termsheet, the date specified in sub-paragraph (iv) above was 30 June 2022. This has been amended in the Amended and Restated Termsheet to refer to the date that is 18 months from the Restructuring Effective Date.

5. FEES PAYABLE TO NOTEHOLDERS

Changes have been made in Amended and Restated Termsheet to the fees payable to Noteholders and the eligibility criteria for receiving such fees.

Consent Fee

The Company shall pay a consent fee in cash, which is equal to a Noteholder's Pro Rata share of 0.25% of the Claim Amount on Default Date on or before the Restructuring Effective Date to such Noteholder who, on or before the deadline specified in the relevant explanatory statement (the "**Explanatory Statement**") to be issued by the Company in respect of the proposed scheme of arrangement between the Company and the Noteholders for the implementation of the offshore debt restructuring (the "**Scheme of Arrangement**"), submits its duly completed proxy form and/or cause its account holder to submit a letter on its behalf, to vote its holding of the Notes in favour of the Scheme of Arrangement.

RSA Fee

The Company shall pay a RSA fee in cash, which is equal to a Noteholder's Pro Rata share 1% of the Claim Amount on Default Date on or before the Restructuring Effective Date to such Noteholder who: (i) is an initial party to the restructuring support agreement to be entered into between the Company and members of the Steering Committee (among others) (the "**RSA**") as at the date of the RSA or who, on or before the deadline specified in the RSA, duly accedes to the RSA in accordance with the terms and conditions contained therein; (ii) on or before the deadline specified in the Explanatory Statement, submits its duly completed proxy form and/or cause its account holder to submit a letter on its behalf, to vote its holding of the Notes in favour of the Scheme of Arrangement; and (iii) has not breached any material provision of the RSA.

The term "**Pro Rata**" refers to the proportion which the principal amount outstanding on a consenting Noteholder's Notes bears to total amount of principal amount outstanding on all the Notes held by all consenting Noteholders who are entitled to receive the consent fee and/or RSA fee.

Save as disclosed above, other terms in the 2020 Termsheet remain substantially the same.

There can be no assurance that Noteholders will accept the proposed terms of the Amended and Restated Termsheet, that the Creditors' Scheme will be approved or sanctioned, or that discussions with Noteholders can be progressed to any positive conclusion. Accordingly, the Company offers no assurance that the proposed restructuring of the Notes will be successfully concluded. The Steering Committee also assumes no responsibility for, and makes no representation to any person as to, the successful completion of the proposed restructuring

or the contents of this announcement. Shareholders, Noteholders, holders of other securities of the Company and potential investors in the securities of the Company are advised to exercise extreme caution when dealing with the securities of the Company.

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

Hong Kong
30 April 2021

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.