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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)

VOLUNTARY ANNOUNCEMENT

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

References are made to the announcements of the Company dated 30 October 2015, 4 November 2015, 14 December 2015, 11 March 2016, 22 April 2016, 4 May 2016, 30 November 2016, 18 January 2017, 21 April 2020, 13 July 2020 and 30 April 2021 in relation to the progress of negotiation of the debt restructuring between the Company, Onshore Creditors Committee 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.

The Board of Directors (the “**Board**”) has noted that the Company’s share price and trading volume fluctuated significantly in the recent trading days after the resumption of trading of the Company’s shares. The Board hereby would like to remind the Company’s shareholders and the potential investors:

1. As at 30 June 2021, the Group’s net current liabilities position amounted to approximately RMB9,655 million, indicating the Company still has a large amount of current liabilities outstanding including, but not limited to, bank borrowings of approximately RMB5,879 million, the Notes of approximately RMB1,269 million and bills and trade payables of approximately RMB826 million. The current liquidity level of the Company is not sufficient to repay such current liabilities immediately and the uncertainty regarding going concern of the Company still exists. Accordingly, debt restructuring plan must be adopted to repay part of the Company’s indebtedness with the issue of new ordinary shares and to delay the repayment so as to improve the financial position and the liquidity of the Company;

2. Although the Company has reached the Preliminary Restructuring Framework with the Onshore Creditors Committee for partial settlement with newly issued ordinary shares of the Company and further delay in repayment, final approval from individual Lending Banks is still required to finalize the detailed terms;
3. The Company and the Steering Committee have entered into the Amended and Restated Termsheet and agreed to swap the Notes into newly issued ordinary shares of the Company with an option to participate in the SPP to be conducted by the Company. The Company still needs time to discuss and coordinate closely with the Steering Committee, professionals and regulatory parties to strive to finalize the detailed terms of the debt restructuring plan as soon as possible and prepare the formal documentation for approval in creditors' meeting and the shareholders' meeting;
4. Besides, the Company is also continuously negotiating with some suppliers of equipment and service providers to strive for delay settlement; and
5. Upon the approval of the debt restructuring plan, there will be significant change in the Company's share capital structure, up to approximately 3 billion ordinary shares, representing approximately 60% of the enlarged share capital, will be newly issued to settle part of the indebtedness regarding the bank borrowings, the Note and operating liabilities of the Company.

Further announcement(s) will be made by the Company as and when appropriate in relation to the debt restructuring plan and the financial position of the Company.

Shareholders and potential investors of the Company are advised to 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
23 September 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.