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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)

UPDATE ON DEBT RESTRUCTURING
ENTERING INTO OF THE RESTRUCTURING SUPPORT AGREEMENT

References are made to (i) the announcements 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 the negotiation of the debt restructuring between the Company and the Steering Committee; (ii) the announcement dated 13 July 2020 in relation to the execution of the 2020 Termsheet; and (iii) the announcement dated 30 April 2021 in relation to the execution of the Amended and Restated Termsheet (the “**Announcements**”). Unless otherwise stated, capitalised terms used in this announcement shall have the same meanings as those defined in the Announcements.

ENTERING INTO OF THE RESTRUCTURING SUPPORT AGREEMENT

The Board is pleased to announce that after trading hours on 1 November 2021, the Company, the Subsidiary Guarantors and the Steering Committee entered into the Restructuring Support Agreement, pursuant to which they have agreed to support and facilitate the Restructuring. The material terms of the Restructuring have been agreed in the Termsheet.

The material terms of the Restructuring Support Agreement are set out below:

Effectiveness of the Restructuring Support Agreement

The obligation of any party under the Restructuring Support Agreement will have full force and effect on and from the date on which it has been signed by such party and by the Company and the Subsidiary Guarantors.

The Consenting Noteholders' obligations

Subject to the Limitations as disclosed below and until the Termination Date, each of the Consenting Noteholders undertakes in favour of the Company and the Subsidiary Guarantors that it will (or, as applicable, will procure that a duly authorised representative, proxy or nominee will), take all reasonable actions which it is reasonably requested by the Company to take in order to support, facilitate, implement or otherwise give effect to the Restructuring as soon as reasonably practicable and, in any event, before the Longstop Date, including, amongst others:

- (a) supporting the Scheme prior and subject to the sanction of the Cayman Court or the Hong Kong Court, as applicable, provided that the terms of the Scheme are consistent in all material respects with the Termsheet;
- (b) attending the Scheme Meeting as convened by order of the Cayman Court or the Hong Kong Court (as applicable) for the purpose of considering and, if thought fit, approving the Cayman Scheme or the Hong Kong Scheme (as applicable) by proxy or in person and voting in favour of the Scheme and any amendment or modification to the Scheme or adjournment to the Scheme Meeting, provided that they are proposed by the Company and that the terms of the Scheme as amended or modified remain consistent in all material respects with the terms of the Scheme without such amendments or modifications and are consistent with and do not include any additional material terms which are likely to adversely affect or conflict with the terms of the Termsheet or the implementation of the Restructuring;
- (c) except where (b) above applies, exercising all votes cast in respect of its Pro Rata Existing Notes against any amendment or modification to the Scheme or any proposal to adjourn the Scheme Meeting;
- (d) supporting any filings and petitions by the Company or any Subsidiary Guarantor in Hong Kong, the Cayman Islands, the U.S. and/or any other jurisdictions, for orders convening the Scheme Meeting and any other orders which, in the reasonable opinion of the directors of the Company or any Subsidiary Guarantor, are reasonably required to implement the Restructuring;
- (e) supporting any other actions as may be taken by the Company or any Subsidiary Guarantor pursuant to an order of, or sanction by, the Cayman Court or the Hong Kong Court, as the case may be, as may be reasonably required or reasonably necessary to implement or give effect to the Restructuring;
- (f) executing any document and giving any notice, order, consent, direction or information and taking all such steps and actions which the Company considers reasonably necessary to support, facilitate, implement or otherwise give effect to the Restructuring, provided that the form of any such document, notice, order, consent, direction or information is reasonably satisfactory to the Steering Committee; and

- (g) in the case of those Consenting Noteholders who constitute the Steering Committee, working within a reasonable timeframe and in good faith with the Company and its advisers with a view to furthering the mutual objective of implementing the Restructuring.

Accession to the Restructuring Support Agreement

Any Noteholder may become a Consenting Noteholder under the Restructuring Support Agreement by delivering to the Company (copied to the Information Agent) a duly completed and executed Accession Letter in respect of its Pro Rata Existing Notes.

Noteholders should note that they will only be eligible to receive a share of the Consent Fee and the RSA Fee if they submit an Accession Letter by the deadline specified in the Explanatory Statement and by the RSA Deadline, respectively.

Accordingly, the Board would like to encourage any Noteholders who are interested in acceding to the Restructuring Support Agreement to identify themselves by the RSA Deadline and contact the Information Agent for further details:

Information Agent

Address: 65 Gresham Street, London EC2V 7 NQ, the United Kingdom

Email: debtteam@dfkingltd.com

Fax: 00 61 2 9285 1490

The Company's and the Subsidiary Guarantors' obligations

Subject to the Limitations as disclosed below and until the Termination Date, the Company and each Subsidiary Guarantor undertakes in favour of the Consenting Noteholders that it will take all actions which in the reasonable opinion of the Steering Committee are reasonably necessary to take in order to support, facilitate, implement or otherwise give effect to the Restructuring (provided that such action is consistent in all material respects with the Termsheet) as soon as reasonably practicable and, in any event, before the Longstop Date or such earlier date as may be specified below, including (without limitation):

- (a) subject to clause (j) below, working expeditiously to progress the Restructuring and to prepare, negotiate in good faith and finalise the Restructuring Documents in form and substance consistent in all material respects with the Termsheet, so that the Restructuring may be implemented as soon as reasonably practicable, including (without limitation) by: (1) promptly supplying to the legal advisers to the Steering Committee draft forms of the Restructuring Documents; (2) provide to the legal advisers to the Steering Committee with a reasonable period

of time to review and comment on such Restructuring Documents; and (3) consider in good faith and incorporate all comments reasonably proposed by legal advisers to the Steering Committee in respect of such Restructuring Documents;

- (b) subject to clause (j) below, executing and delivering (as applicable) all the Restructuring Documents;
- (c) giving any notice, order, consent, direction or information and taking all such steps and actions as may be necessary or desirable to support, facilitate, implement or otherwise give effect to the Restructuring;
- (d) proposing, filing and pursuing expeditiously any legal process or proceedings contemplated by or required to implement the Restructuring, including (without limitation) filings in respect of the Scheme and the Scheme Meeting;
- (e) operating its ordinary business and activities in the ordinary course and in such a manner as to ensure that no act or event occurs, which would result in a breach of any warranties, covenants or representations set out herein;
- (f) disclosing forthwith in writing to the Consenting Noteholders:
 - (1) any breach, or any matter that would likely give rise to a breach, by the Company or a Subsidiary Guarantor of any term of the Restructuring Support Agreement including, without limitation, any covenant, undertaking, representation or warranty; and
 - (2) any matter or circumstance which it knows, or suspects would reasonably be expected, to be a material impediment to the consummation of the Restructuring;
- (g) working within a reasonable timeframe and in good faith with the Steering Committee and its advisers with a view to furthering the mutual objective of implementing the Restructuring and allow them to verify that each Restructuring Document (before it is finalised, circulated or entered into) is in all material respects consistent with the Termsheet;
- (h) calling all creditor and shareholder meetings required to implement the Restructuring including, without limitation, the Scheme Meeting;
- (i) taking any actions pursuant to any order of, or sanction by, the Cayman Court, the Hong Kong Court and the US Bankruptcy Court, as the case may be, as may be required or necessary to implement or give effect to the Restructuring;
- (j) promptly seeking, and taking all reasonable steps to obtain, any necessary or desirable consents, approvals or authorisations in connection with the Restructuring, including, without limitation, consents, approvals or authorisations from The Stock Exchange of Hong Kong Limited, the Securities and Futures Commission and any and all other Governmental Bodies;

- (k) using reasonable endeavours to obtain from shareholders of the Company all necessary shareholder approvals and consents in respect of the Restructuring;
- (l) co-operating fully with and assisting the Steering Committee and its advisers in their efforts to seek on or before the Scheme Meeting the support for the Scheme of Noteholders who in aggregate hold at least a majority in number and at least 75% in value of the outstanding principal under the Existing Notes. For the avoidance of doubt, the Steering Committee and its advisers are entitled, but not obliged by this clause or any other provision of the Restructuring Support Agreement, to seek or obtain the support of other Noteholders for the Scheme;
- (m) seeking and obtaining the prior approval of the Steering Committee in respect of drafts of all material Restructuring Documents before executing and/or issuing any such documents (such approval not to be unreasonably withheld or delayed);
- (n) make all securities and other filings and announcements and publish all documents and make all submissions required in connection with the matters contemplated by the Restructuring Support Agreement and the Restructuring as and when necessary to comply with all applicable laws;
- (o) comply with and act in a manner consistent with the Termsheet;
- (p) procure that the conditions precedent to the Restructuring are fully satisfied on or before the Longstop Date;
- (q) promptly supply to the Steering Committee regular updates regarding the status of the implementation of the Restructuring;
- (r) except as expressly contemplated under the Restructuring Support Agreement or necessary to carry out the Restructuring, operate its business in ordinary course consistent with past practices and use its reasonable endeavours to preserve its assets and business organisation in all material respects;
- (s) upon reasonable request by the Steering Committee in writing, promptly cleanse, by way of public announcement or otherwise, all material non-public information disclosed to the Steering Committee in connection with the negotiations and finalisation the Restructuring, including, without limitation, publicly announcing the entering into of the Restructuring Support Agreement and the key terms of the Restructuring Support Agreement (without disclosing the identity, the noteholding or other details of the Consenting Noteholders), provided that such public announcement should first be reviewed and approved by the Steering Committee (or its legal advisers);
- (t) providing any undertakings and/or indemnities reasonably required by the Trustee, in connection with the Scheme and/or Restructuring; and

- (u) continuing to comply with its obligations under the Fee Letters, including its obligation thereunder to pay the fees of the legal and financial advisers to the Steering Committee in a timely manner.

Restrictions on the Company and the Subsidiary Guarantors

Subject to the Limitations and until the Termination Date, neither the Company nor any Subsidiary Guarantor shall (and each such party shall procure that none of its direct or indirect subsidiaries shall), without the prior written consent of the Steering Committee:

- (a) intentionally take, encourage, assist or support (or procure that any other person takes, encourages, assists or supports) any action which would, or would reasonably be expected to, frustrate, delay, impede or prevent the Scheme or the Restructuring or which is inconsistent with the Restructuring Support Agreement or the Termsheet;
- (b) assign or transfer any of its rights and interests in respect of, or declare or create any trust of any of its rights, interests or benefits in respect of, the Restructuring Support Agreement;
- (c) take or consent to the taking of any action which supports or favours any proposed composition, compromise, assignment or arrangement with any creditor of the Company or the Group other than pursuant to the implementation of the Restructuring or the Restructuring Support Agreement (excluding for these purposes any proposed amendment or variation to the Restructuring that are permissible as set out in paragraph (b) of the section “The Consenting Noteholders’ obligations” above or are otherwise the subject of the Steering Committee’s prior written approval);
- (d) issue equity, or otherwise change its capital structure in any way not contemplated by the Restructuring Support Agreement or the Termsheet including, for the avoidance of doubt, any steps which may involve the issue of any new debt, shares, warrants or options to acquire any new shares, or increase its authorised shares for any purpose other than to implement the Restructuring;
- (e) sell, transfer, lease, acquire, or otherwise dispose of any shares in any other company or of all or any material part of its present or future undertaking, material assets, rights or revenues whether by a single transaction or a series of transactions whether related or not;
- (f) pay any dividends or make other distributions to its shareholders; or
- (g) incur any new debt, or become subject to any new liens or other encumbrances, other than as may be incurred or created in the ordinary course of its ordinary business for working capital purposes.

Restrictions on the Consenting Noteholders

Subject to the Limitations and until the Termination Date, no Consenting Noteholders shall:

- (a) intentionally take, encourage, assist or support (or procure that any other person takes, encourages, assists or supports) any action which would, or would reasonably be expected to, frustrate, delay, impede or prevent the Scheme or the Restructuring or which is inconsistent with the Restructuring Support Agreement or the Termsheet, including (without limitation):
 - (1) propose or support any alternative proposal or offer from any person or entity in respect of the Restructuring other than those contemplated by the Termsheet;
 - (2) vote (or directing any proxy appointed by it to vote) its Pro Rata Existing Notes against the Scheme or in favour of any amendment, waiver, consent or proposal that would breach or be inconsistent with the Restructuring Support Agreement, the Termsheet or the Restructuring; or
 - (3) challenge or object, or support any challenge or objection, to any term of the Scheme or any other relevant process set out under in paragraph (d) of the section “The Consenting Noteholders’ obligations” above;
- (b) commence, take, support or actively assist any proceedings against the Company and/or any Group company or any action in connection with any matters howsoever arising, including, without limitation, any Restricted Action, other than (a) as contemplated by the Restructuring; and (b) any proceeding and action which is necessary, but only to the extent necessary, to preserve the validity, existence or priority of claims in respect of the Existing Notes, including the registration of such claims before any court or Governmental Body and the bringing, supporting or joining of proceedings to prevent the loss of the right to bring, support, or join proceedings by reason of applicable limitation periods. For the avoidance of doubt, the Consenting Noteholders (including those constituting the Steering Committee) are not obliged to procure the withdrawal, dismissal or suspension of the Existing Court Proceedings; and
- (c) assign, transfer or sub-participate any of its rights and interests in respect of, or declare or create any trust of any of its rights, interests or benefits in respect of, its Existing Notes or the Restructuring Support Agreement to, or in favour of, any person (the “**Proposed Transferee**”), unless the Proposed Transferee (1) delivers to the Company a duly completed and signed Accession Letter in respect of the transferor’s Pro Rata Existing Notes and/or the Restructuring Support Agreement, as applicable; or (2) is, at that time, already a Consenting Noteholder.

Any transfer, assignment, sub-participation or declaration of trust by a Consenting Noteholder in breach of paragraph (c) above shall be deemed void ab initio.

Additional Existing Notes

Nothing in the Restructuring Support Agreement shall restrict any Consenting Noteholder's rights to acquire additional Existing Notes. If any Consenting Noteholder acquires any additional Existing Notes:

- (a) such Existing Notes shall be deemed to be subject to the terms of the Restructuring Support Agreement as its Pro Rata Existing Notes automatically upon the Consenting Noteholder's acquisition of such additional Existing Notes; and
- (b) the Consenting Noteholder must, within 5 Business Days of such acquisition, provide written notice of that acquisition to the Information Agent.

Termination

The Restructuring Support Agreement shall automatically terminate on:

- (a) the entry of a final non-appealable order by any court of competent jurisdiction or other competent governmental or regulatory authority making illegal or otherwise preventing, prohibiting or materially restricting the consummation of the Restructuring;
- (b) the petitioning, applying or voting for, or the taking of any formal steps (including the appointment of any liquidator, receiver, administrator or similar officer) by any person or entity in relation to, the winding up, dissolution, administration, receivership or reorganisation of the Company or any Group entity and/or any or all of its or their respective liabilities or any suspension of payments or moratorium of any indebtedness of the Company or any Group entity, or any analogous procedure or step in any jurisdiction, other than the Existing Court Proceedings or any step taken therein;
- (c) the Scheme not being approved by a majority in number representing at least 75% in value of the Noteholders present and voting (either in person or by proxy) at the Scheme Meeting or, if the Scheme Meeting is adjourned, at such adjourned Scheme Meeting;
- (d) if the Hong Kong Scheme is proposed, the Hong Kong Court making an order declining to sanction the Scheme and:
 - (1) the Company confirming that it will not appeal such order; or
 - (2) if an appeal is lodged, the appeal being dismissed and the Hong Kong Court granting a final order declining to sanction the Scheme;
- (e) if the Cayman Scheme is proposed, the Cayman Court making an order declining to sanction the Scheme and:

- (3) the Company confirming that it will not appeal such order; or
- (4) if an appeal is lodged, the appeal being dismissed and the Cayman Court granting a final order declining to sanction the Scheme;

The Steering Committee may terminate the Restructuring Support Agreement by written notice to the Company if, other than due to any action taken intentionally by any Consenting Noteholder:

- (a) the Company or any Subsidiary Guarantor breaches any provision of the Restructuring Support Agreement, unless the breach is capable of remedy and is remedied within 5 Business Days of such breach;
- (b) any representation or statement made by the Company or any Subsidiary Guarantor is or proves to have been incorrect or misleading in any material respect;
- (c) any Restricted Action, other than the Existing Court Proceedings, is taken against any member of the Group;
- (d) the Company fails to obtain all requisite shareholder approvals required for the implementation of the Restructuring on or before 31 December 2021;
- (e) the Company fails to file an application with each of the Hong Kong Court or the Cayman Court, as applicable, on or before 31 December 2021, seeking orders to convene the Scheme Meeting;
- (f) any of the conditions precedent to the Restructuring (including, without limitation, the condition that the Scheme be approved by the Hong Kong Court or the Cayman Court, as applicable) and take effect in accordance with the applicable legislation) is not satisfied or waived by the Longstop Date; or
- (g) circumstances have arisen which the Steering Committee reasonably believes in good faith to mean that it is likely that the Restructuring cannot be successfully completed by the Longstop Date or at all.

The Restructuring Support Agreement may be terminated at any time with the mutual written consent of the Company and each Consenting Noteholder constituting the Steering Committee.

Each Consenting Noteholder may, by written notice to the Company, terminate the Restructuring Support Agreement with respect only to itself and rescind (to the extent permitted by law) any consent previously provided by it with respect to the Restructuring if the Company or any other Group entity provides, or agrees to provide, to any Consenting Noteholder in respect of its Pro Rata Existing Notes any payment or other benefit that would disadvantage any other Consenting Noteholder, except as contemplated by the Restructuring Support Agreement and the Termsheet.

Limitations

Nothing in the Restructuring Support Agreement shall:

- (a) require any party to the Restructuring Support Agreement to take any action, or omit to take any action, which would breach its constitution or any legal or regulatory requirement or any order or direction of any Governmental Body and which impediment cannot be avoided or removed by taking reasonable steps;
- (b) restrict any officer of any Group company from commencing insolvency proceedings in respect of that Group company if that officer reasonably considers it is required to do so by any law, regulation or fiduciary duty, and such officer may take any steps which may be necessary to comply with any such law, regulation or fiduciary duty;
- (c) require any Consenting Noteholder to incur any costs, expenses or liabilities (other than those of a de minimis amount or any legal or financial adviser fees and expenses that need to be incurred to comply with any obligation under the Restructuring Support Agreement and which, in the case of the legal and financial adviser fees and expenses incurred by the Steering Committee, are paid for by the Company pursuant to the terms of the Restructuring Support Agreement and the Fee Letters);
- (d) require any Consenting Noteholder to increase or extend any existing debt financing or to make any additional equity or debt financing available to any member of the Group; or
- (e) be binding on any affiliates of any Consenting Noteholder nor on any businesses operated by or within the Consenting Noteholder or businesses operated by entities controlled by, or under common control with, the Consenting Noteholder (“businesses” as used in this paragraph (e) shall mean entities or investment bank desks other than the Consenting Noteholder (on the basis that a Consenting Noteholder which is an investment bank desk states its identity) which may own, hold or manage accounts that hold or own Notes (as the case may be)); provided however, that nothing in this paragraph (e) shall in any way limit or impair the representations of a Consenting Noteholder (or the stated investment bank desk thereof) or such Consenting Noteholder’s (or the stated investment bank desk’s) obligations hereunder with respect to the principal amount of its Pro Rata Existing Notes and its Additional Existing Notes (if any) as described in the paragraph headed “Additional Existing Notes”.

Consent Fee

On or before the Restructuring Effective Date, the Company shall pay the Consent Fee in cash, which is equal to a Consenting Noteholder’s Pro Rata share of 0.25% of the Claim Amount on Default Date, to such Consenting Noteholder who, on or before the deadline specified in the Explanatory Statement, submits its duly completed proxy form and/or causes its account holder to submit a letter on its behalf, to vote its holding of the Existing Notes in favour of the Scheme.

RSA Fee

On the Restructuring Effective Date, the Company shall pay a RSA Fee, which is equal to a Consenting Noteholder's Pro Rata share of 1% of the Claim Amount on Default Date, to such Consenting Noteholder who: (a) becomes a party to the Restructuring Support Agreement on or prior to the RSA Deadline; (b) validly holds or controls its Pro Rata Existing Notes (in the case of a Consenting Noteholder who is not a member of the Steering Committee, as specified in its Accession Letter) and still holds such Existing Notes as at the Scheme Record Date; (c) has voted all of its Pro Rata Existing Notes (in the case of a Consenting Noteholder who is not a member of the Steering Committee, as specified in its Accession Letter) in favour of the Scheme at the Scheme Meeting and has not withdrawn or revoked its vote in favour of the Scheme; (d) has fully complied with the material provisions of the Restructuring Support Agreement and has not breached any provision of the Restructuring Support Agreement in any material respect; and (e) has not, as at the Restructuring Effective Date, exercised its rights (if any) to terminate the Restructuring Support Agreement.

Work Fee

The Company shall pay on the Scheme Effective Date to each of the three Consenting Noteholders which constitute the Steering Committee a work fee in cash and in US dollars equal to such Consenting Noteholder's pro rata share of the Work Fee, which is equal to 0.25% of the Claim Amount on Default Date. For the purposes of this paragraph, a Consenting Noteholder's pro rata share shall mean the proportion that the principal amount outstanding on the Existing Notes beneficially owned, held or controlled by that Consenting Noteholder bears to the Aggregate Holding, each as at the date of the Restructuring Support Agreement.

There can be no assurance that Noteholders will accede to the Restructuring Support Agreement and the proposed terms of the Termsheet, that the 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 Existing 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.

DEFINITIONS

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

“Accession Letter” a letter substantially in the form set out in Schedule 2 (Form of Accession Letter) of the Restructuring Support Agreement

“Aggregate Holding”	the aggregate holding of the Existing Notes by all Consenting Noteholders from time to time
“Amended and Restated Termsheet”	the amended and restated termsheet dated 30 April 2021 and entered into between the Company and the Steering Committee
“Board”	the board of directors of the Company
“Business Day”	a day (other than a Saturday or Sunday) on which banks are open for ordinary banking business in Hong Kong and the U.S.
“Cayman Companies Law”	the Companies Act (2021 Revision) of the Cayman Islands, as amended, supplemented or otherwise modified from time to time
“Cayman Court”	the Grand Court of the Cayman Islands
“Cayman Scheme”	a scheme of arrangement between the Company and the Scheme Creditors under section 86 of the Companies Act (2021 Revision) of the Cayman Islands, as amended from time to time, for the purpose of implementing the Restructuring, and as contemplated by the Termsheet
“Cayman Scheme Meeting”	a meeting of the Scheme Creditors in relation to the Cayman Scheme as convened by an order of the Cayman Court for the purpose of considering and, if thought fit, approving the Cayman Scheme, and any adjournment thereof
“Chapter 15 Scheme Order”	an order of the US Bankruptcy Court recognising and giving effect to certain aspects of the compromise and arrangement set out in the Scheme
“Claim Amount on Default Date”	the amount of US\$190,740,098, which represents the total outstanding principal amount on the Existing Notes as at, plus accrued but unpaid interest up to (and including), the Default Date
“Company”	Hidili Industry International Development Limited, a company incorporated in the Cayman Islands and the shares of which are listed on the Stock Exchange (stock code: 1393)
“Consent Fee”	the consent fee as described in the section headed “Consent Fee” in this announcement

“Consenting Noteholders”, and each a “Consenting Noteholder”	Noteholders which have agreed to be bound by the terms of the Restructuring Support Agreement as a Consenting Noteholder either by signing the Restructuring Support Agreement or by acceding thereto in accordance with clause 7 (<i>Accession of Consenting Noteholders</i>) of the Restructuring Support Agreement (but excluding those Noteholders that have exercised their right to terminate the Restructuring Support Agreement in accordance with its terms)
“Default Date”	4 November 2015
“Existing Court Proceedings”	the existing court proceedings in the Hong Kong Court in respect of the winding up petition filed against the Company (proceeding no.18 of 2016)
“Existing Notes”	US\$400,000,000, 8.625% Senior Notes due 4 November 2015 issued by the Company pursuant to the Indenture
“Explanatory Statement”	the explanatory statement to be issued by the Company in respect of the Scheme for the implementation of the Restructuring
“Fee Letters”	the fee letters dated 10 December 2015 and 14 April 2016
“Governmental Body(ies)”	any government or governmental or regulatory body thereof, or political subdivision thereof, whether state, local or foreign, or any agency, instrumentality or authority thereof, or any court or arbitrator (public or private)
“Group”	the group of companies of which the Company is the ultimate parent, including (without limitation) the Subsidiary Guarantors
“Hong Kong Court”	the High Court of Hong Kong
“Hong Kong Scheme”	a scheme of arrangement between the Company and the Noteholders pursuant to sections 673 and 674 of the Companies Ordinance (Cap. 622) (as amended) as applicable in Hong Kong for the purpose of implementing the Restructuring, and as contemplated by the Termsheet
“Hong Kong Scheme Meeting”	a meeting of the Scheme Creditors in relation to the Hong Kong Scheme, as convened by an order of the Hong Kong Court for the purpose of considering and, if thought fit, approving the Hong Kong Scheme, and any adjournment thereof

“Indenture”	indenture dated 4 November 2010 and entered into among the Company, the Subsidiary Guarantors and the Trustee as amended, varied and supplemented from time to time including by a supplemental indenture dated 21 October 2014 in connection with the Existing Notes
“Information Agent”	D.F. King Limited, in its capacity as the Company’s information agent
“Longstop Date”	31 December 2021 (or such later date as may be agreed by the Company and the Steering Committee) in connection with the satisfaction of all the conditions precedent to the Restructuring
“Noteholders”, and each a “Noteholder”	with respect to any Existing Notes, the persons who are beneficial owner and/or the owner of the ultimate economic interest in those Existing Notes
“Pro Rata”	in respect of a Noteholder, the proportion which the principal amount outstanding on that Noteholder’s Existing Notes (as at the Scheme Record Date) bears to the Claim Amount on Default Date
“Recognition Filings”	the filing of a petition with the US Bankruptcy Court seeking the Chapter 15 Scheme Order
“Restricted Action”	<ul style="list-style-type: none"> (a) the making of any demand against the Company and/or any Group entity under or in relation to any guarantee, indemnity, surety or other assurance against loss in respect of the Existing Notes or any Security Document (as defined in the Indenture); (b) enforcing or requiring the enforcement of any security created under any Security Document; (c) the suing for, commencing or joining of any legal or arbitration proceedings against the Company or any Group entity to recover any liabilities due and payable pursuant to the Indenture; and

- (d) the petitioning, applying or voting for, or the taking of any formal steps (including the appointment of any liquidator, provisional liquidator, receiver, administrator or similar officer) in relation to, the winding up, dissolution, administration, receivership or reorganisation of the Company or any Group entity or any suspension of payments or moratorium of any indebtedness of the Company or any Group entity, or any analogous procedure or step in any jurisdiction

“Restructuring”	the proposed restructuring of the indebtedness of the Company in respect of the Existing Notes to be conducted substantially in the manner envisaged by, and substantially on the terms set out in, the Termsheet
“Restructuring Documents”	all documents, agreements and instruments necessary or desirable for the implementation of the Restructuring in accordance with the Restructuring Support Agreement and the Termsheet
“Restructuring Effective Date”	the day on which all conditions precedent to the Restructuring have been satisfied or, to the extent permissible by law and consented to by the Steering Committee, waived
“Restructuring Support Agreement”	the restructuring support agreement dated 1 November 2021 entered into between the Company, the Subsidiary Guarantors and members of the Steering Committee
“RSA Deadline”	the date that is 3 weeks after the date of the Restructuring Support Agreement (or such later date as may be agreed by the Company and the Steering Committee)
“RSA Fee”	the fee as described in the section headed “RSA Fee” in this announcement
“Scheme”	the Hong Kong Scheme or as the case may be, the Cayman Scheme, as the Company and the Steering Committee may mutually agree with a view to giving effect to the Restructuring in the most timely and efficient manner after taking into account advice of legal advisers, including Hong Kong legal advisers, Cayman Island legal advisers and counsel appointed by the Company
“Scheme Effective Date”	the date on which the Cayman Scheme or the Hong Kong Scheme (as applicable) becomes effective under the applicable legislation

“Scheme Meeting”	the Cayman Scheme Meeting or the Hong Kong Scheme Meeting (as applicable)
“Scheme Record Date”	the time designated by the Company for the determination of the scheme creditor’s claim for the purposes of voting at the Scheme Meeting, as specified in the Explanatory Statement
“Steering Committee”	the Steering Committee of Noteholders comprising three members, namely, Triada Capital Limited, Barclays Bank PLC and Haitong International Financial Products Limited
“Subsidiary Guarantors”, and each a “Subsidiary Guarantor”	certain subsidiaries of the Company which are parties to the Restructuring Support Agreement, namely Ample Mile Limited and Hidili Investment Holding Ltd
“Termsheet”	the 2020 Termsheet, as amended and restated by the termsheet dated 30 April 2021
“Termination Date”	the date on which the Restructuring Support Agreement is terminated in accordance with its terms
“Trustee”	Bank of New York Mellon as trustee of the Existing Notes (or any successor trustee appointed under the terms of the Indenture)
“U.S.”	the United States of America
“US Bankruptcy Court”	the United States Bankruptcy Court for the District of Manhattan, the United States of America
“Work Fee”	work fee as described in the section headed “Work Fee” in this announcement
“2020 Termsheet”	the termsheet dated 13 July 2020 and entered into between the Company and the Steering Committee

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

Hong Kong
1 November 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.