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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)

SUPPLEMENTAL ANNOUNCEMENT IN RELATION TO ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

Reference is made to the annual report of Hidili Industry International Development Limited (the “**Company**”, which together with its subsidiaries are collectively referred to as the “**Group**”) for the year ended 31 December 2020 (the “**Annual Report**”). Unless the context otherwise requires, capitalized terms in this announcement shall have the same meanings as defined in the Annual Report.

In addition to the information disclosed in the Annual Report, pursuant to code provision C.1.3 of the CG Code, the Board would like to provide more details on the disclaimer of opinion regarding the Company’s ability to continue as a going concern.

As disclosed in note 2 to the consolidated financial statements, the Group incurred a loss of approximately RMB269,575,000 for the year ended 31 December 2020 and the Group had net current liabilities of approximately RMB9,803,931,000 as at 31 December 2020. These conditions indicate the existence of a material uncertainty which may cast significant doubt on the Group’s ability to continue as a going concern. The Directors have given careful consideration to the future liquidity and performance of the Group and its available sources of finance to continue as a going concern. The Company has been undertaking various plans and measures to improve the Group’s liquidity and financial position. Further details of such actions are set out in note 2 to the consolidated financial statements.

On 1 November 2021, the Company and the Steering Committee have entered into a restructuring support agreement to support and facilitate the Restructuring (the “**Restructuring Support Agreement**”). The material terms of the Restructuring Support Agreement are set out in the announcement dated 1 November 2021 of the Company. At the same time, the Company has invited holders of the Notes who are interested in acceding to the Restructuring Support Agreement to identify themselves by submitting an accession letter to the information agent engaged by the Company in order to receive a share of consent fee and restructuring support agreement fee. The

Company believes that finalization of the Restructuring Support Agreement and the payment of the fees can help to encourage the holders of the Notes to actively participate and support the Restructuring so as to minimize any uncertainty and barrier during the forthcoming restructuring process.

Currently, the Company is working closely with the Onshore Creditors Committee and the Steering Committee together with the professionals and regulated parties to prepare the formal documentation for approval in the creditors' meeting and the shareholders' meeting. The Company will closely communicate with the Company's auditor, ZHONGHUI ANDA CPA Limited, for further information required to substantiate the Group as a going concern for the audit of the financial statements for the year ending 31 December 2021.

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

Hong Kong
10 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.