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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)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT an extraordinary general meeting (“EGM”) of Hidili Industry International Development Limited (the “**Company**”) will be held at 24th Floor, Admiralty Centre I, 18 Harcourt Road, Admiralty, Hong Kong on Monday, 30 January 2023 at 10:30 a.m. or any adjournment thereof (as the case may be) for the purpose of considering and, if thought fit, passing, with or without amendment, the following resolutions of the Company.

ORDINARY RESOLUTIONS

1. **“THAT** the authorised share capital of the Company of HK\$1,000,000,000 divided into 10,000,000,000 ordinary shares (each an “**Ordinary Share**”) of HK\$0.10 each be and is hereby re-designated and re-classified as HK\$1,000,000,000 divided into (i) 8,000,000,000 Ordinary Shares of par value of HK\$0.10 each and (ii) 2,000,000,000 non-convertible non-voting preferred shares of par value of HK\$0.10 each (each a “**Preferred Share**”). All of the existing issued ordinary shares of the Company shall be designated as Ordinary Shares which shall have the same rights and restrictions attached thereto as are attached to the ordinary shares immediately prior to the re-designation and re-classification of the authorised share capital of the Company and the Preferred Shares shall carry equal rights and rank *pari passu* with one another and each Preferred Share shall have the rights and benefits and subject to the restrictions set out in the preliminary restructuring framework dated 21 April 2020 entered into among the Company, 中國民生銀行股份有限公司成都分行 (China Minsheng Bank Chengdu Branch*), 平安銀行股份有限公司成都分行 (Ping An Bank Chengdu Branch*), 平安銀行股份有限公司昆明分行 (Ping An Bank Kunming Branch*), 招商銀行股份有限公司深圳車公廟支行 (China Merchants Bank Shenzhen Che Gong Temple Branch*), 四川銀行股份有限公司攀枝花竹湖園支行 (Sichuan Bank Company Limited Panzhihua Commercial Bank Zhuhuyuan Branch*) and 中國信達資產管理股份有限公司四川省分公司 (China Cinda Assets Management Co., Ltd. Sichuan Branch*) (collectively, the “**PRC Lending Banks**”), Mr Xian Yang and 恒鼎實業(中國)集團有限公司 (Hidili Industry (China) Group Limited*) and the confirmations given by each of China Minsheng Bank Chengdu Branch, Ping An Bank Chengdu

Branch, Ping An Bank Kunming Branch, Sichuan Bank Company Limited Panzhihua Commercial Bank Zhuhuyuan Branch and China Cinda Assets Management Co., Ltd. Sichuan Branch regarding the issue of the Preferred Shares (collectively, the “**Onshore Restructuring Agreement**”) (a copy of the Onshore Restructuring Agreement is marked “A” and produced to the EGM and signed by the chairman of the EGM for identification purposes).”

2. “**THAT** the Onshore Restructuring Agreement in relation to the issue and allotment of an aggregate of 1,793,524,789 Preferred Shares to the relevant subscriber as provided in the Onshore Restructuring Agreement to satisfy and discharge the conversion interest in the amount of approximately RMB948 million, upon the terms and subject to conditions set out in the Onshore Restructuring Agreement and all the transactions contemplated thereby, be and are hereby approved, ratified and confirmed.”
3. “**THAT** subject to and conditional upon passing of resolutions no.1 and no.2 above and resolution no.5 below, the terms of the Preferred Shares as set out in the Onshore Restructuring Agreement be and are hereby approved and that the board of directors (the “**Board**”) of the Company be and is hereby authorised to allot and issue an aggregate of 1,793,524,789 Preferred Shares at an issue price of HK\$0.631 per Preferred Share to Oriental Toprich Limited, upon the terms and subject to conditions of the Onshore Restructuring Agreement and on such other terms and conditions as may be determined by the Board. The registered office provider of the Company or any director (the “**Director**”) or share registrar of the Company be and is authorised and instructed to update the Register of Members of the Company, to attend to any necessary filing in accordance with the applicable law and record the foregoing issue and allotment of the Preferred Shares as resolved above and that a share certificate (if appropriate) be issued to any holder who requests the same, with full power and authority hereby granted to any one Director to prepare, execute (with the affixation of the common seal, if required) and deliver any such share certificate.”
4. “**THAT** the settlement agreements dated 23 November 2022 (the “**Settlement Agreements**”) (a copy of the Settlement Agreement is marked “**B**” and produced to the EGM and signed by the chairman of the EGM for identification purposes) entered into between the Company and 125 Onshore Operating Creditors (as defined in the circular dated 30 December 2022 (the “**Circular**”) in relation to the issue and allotment of an aggregate of 282,844,625 Ordinary Shares to the subscribers in accordance with the Settlement Agreements, as onshore operating creditors converted shares (the “**Onshore Operating Creditors Converted Shares**”) at an issue price of HK\$0.631 each which are Ordinary Shares to satisfy and discharge their respective indebtedness due from the Group (as defined in the Circular), upon the terms and subject to conditions set out in the Settlement Agreements and all the transactions contemplated thereby, be and are hereby approved, ratified and confirmed.”
5. “**THAT** subject to and conditional upon passing of resolution 4 above and the Listing Committee (the “**Listing Committee**”) of the Stock Exchange of Hong Kong Limited granting or agreeing to grant the Listing of and permission to deal in the Onshore Operating Creditors Converted Shares, the terms of the Onshore Operating Creditors Converted Shares as set out in

the Settlement Agreements be and are hereby approved and the Board be and is hereby authorised to allot and issue an aggregate of 282,844,625 Onshore Operating Creditors Converted Shares to 125 Onshore Operating Creditors, upon the terms and subject to conditions set out in the Settlement Agreements and on such other terms and conditions as may be determined by the Board. The registered office provider of the Company or any Director or share registrar of the Company be and is authorised and instructed to update the Register of Members of the Company, to attend to any necessary filing in accordance with the applicable law and record the foregoing issue and allotment of the Onshore Operating Creditors Converted Shares and that share certificate(s) (if appropriate) be issued to any holder who requests the same, with full power and authority hereby granted to any one Director to prepare, execute (with the affixation of the common seal, if required) and deliver any such share certificates.”

6. “**THAT** subject to all the other resolutions set out in this notice being passed, the scheme of arrangement (the “**Scheme**”), material particulars of which are disclosed in the scheme of arrangement document of the Company despatched to the creditors of the Company (details of the major terms of the Scheme are set out in the section headed “Letter from the Board – The Scheme” in the Circular), which are to be proposed and effected as a scheme under Section 673 and 674 of the Companies Ordinance, be and is hereby approved.”
7. “**THAT** subject to the Listing Committee granting or agreeing to grant the listing of and permission to deal in the scheme shares (the “**Scheme Shares**”), the Board be and is hereby granted a specific and unconditional mandate to exercise the powers of the Company to issue and allot 2,342,838,557 Ordinary Shares as Scheme Shares to the Participating Scheme Creditors (as defined in the Circular) pursuant to the Scheme at an issue price of HK\$0.631 per Scheme Share which shall rank *pari passu* in all respects among themselves and with the existing Ordinary Shares in issue at the date of such issue and allotment. The registered office provider of the Company or any Director or share registrar of the Company be and is authorised and instructed to update the Register of Members of the Company, to attend to any necessary filing in accordance with the applicable law and record the foregoing issue and allotment of the Scheme Shares and that share certificate(s) (if appropriate) be issued to any holder who requests the same, with full power and authority hereby granted to any one Director to prepare, execute (with the affixation of the common seal, if required) and deliver any such share certificates.”
8. “**THAT** subject to and conditional upon the passing of resolution no.7 above, the Board be and is hereby granted a specific and unconditional mandate to exercise the powers of the Company to accept the surrender for no consideration and cancel any Surplus Scheme Shares (as defined in the Circular) that were not distributed to the Scheme Creditors (as defined in the Circular) pursuant to the Scheme.”
9. “**THAT** any one Director be and is hereby authorised for and on behalf of the Company to execute (with the affixation of the common seal, if required) all such documents, instruments and agreements and to do all such acts and things deemed by him/her/them to be incidental to, ancillary to, or in connection with, the implementation of and giving effect to any of the matters relating to, or incidental to, the Onshore Restructuring Agreement, the Settlement Agreements,

the Scheme and the transactions contemplated thereunder, including but not limited to the re-designation and re-classification of authorised share capital, the allotment and issue of the Preferred Shares, the Onshore Operating Creditors Converted Shares, the Scheme Shares, the redemption of the Preferred Shares and the surrender for no consideration and cancellation of the Surplus Scheme Shares as he/she/they may consider necessary, desirable or expedient.”

SPECIAL RESOLUTIONS

10. **“THAT** the amended and restated memorandum of association and articles of association of the Company (the **“M&A”**) be amended in the following manner:

(a) by deleting clause 8 of the amended and restated memorandum of association in its entirety and replacing by the following new clause 8:

“The share capital of the Company is HK\$1,000,000,000 divided into (i) 8,000,000,000 ordinary shares of a par value of HK\$0.10 each and (ii) 2,000,000,000 non-convertible non voting preferred shares of a par value of HK\$0.10 each.”

(b) by adding the following new definitions into the section headed “Interpretation” in Article 1:

“shares” the ordinary shares with a par value of HK\$0.10 each in the share capital of the Company

“Preferred Shares” the non-convertible non-voting preferred shares with a nominal or par value of HK\$0.10 each in the share capital of the Company

“Repurchase Period” the period of three years from the date of issue of the Preferred Shares

(c) by inserting the following Article 15A immediately after the existing Article 15:

“15A. Notwithstanding other provisions of these Articles, the Preferred Shares shall confer on the registered holders thereof the following rights and privileges and be subject to the following rights, restrictions and provisions:

(1) Ranking

The Preferred Shares constitute direct, unconditional, unsecured and unsubordinated obligations of the Company and rank *pari passu* without any preference among themselves.

(2) Validity

The Preferred Shares shall be for a period of 10 years from the issue date.

(3) Voting Rights

Holders of the Preferred Shares shall not be entitled to attend or vote at any general meeting of the Company by reason only of his/her/its being the holder(s) of the Preferred Shares, save for voting rights at a class meeting of the holders of the Preferred Shares for matters which require their consent under the Articles or the Law.

(4) Dividend Rights

Holders of the Preferred Shares shall not have the right to receive any dividends.

(5) Redemption

Subject to the Law and the Articles, the Company shall have the right to redeem the Preferred Shares at the original issue price within the Repurchase Period. If the Company fails to redeem all or part of the Preferred Shares at the original issue price within the Repurchase Period, interest shall accrue at the prevailing loan prime rate designated by the People's Bank of China on those Preferred Shares not yet redeemed.

(6) Conversion

The Preferred Shares cannot be converted into shares of the Company.

(7) Transferability

Subject to any restrictions in the rules of the Designated Stock Exchange and the Articles, holders of the Preferred Shares cannot transfer or dispose the Preferred Shares during the validity of the Preferred Shares to any parties other than companies which are subsidiaries of holders of the Preferred Shares.

(8) Liquidation Preference

In the event of any Liquidation Event or M&A Event, holder of the Preferred Shares would be entitled to receive, in preference to the holders of shares, such amount which represents its pro rata portion had it converted the then outstanding Preferred Shares into shares immediately prior to the Liquidation Event or M&A Event (as defined below).

A “Liquidation Event” shall include a liquidation, winding-up or dissolution of the Company. A “M&A Event” shall include mergers and acquisition of the Company.

(9) Interest payment

Interest shall accrue commencing on the fourth anniversary of the issue date and interest will be paid on 30 June and 31 December at the prevailing loan prime rate designated by the People’s Bank of China on those Preferred Shares that one not yet repurchased.

11. “**THAT** the third amended and restated M&A of the Company (in the form of document produced to the EGM) and marked “C” and produced to the EGM and signed by the chairman of the EGM for identification purposes), which consolidates all of the proposed amendments referred to in Resolution no. 10 above be approved and adopted as the third amended and restated M&A of the Company in substitution in their entirety for and to the exclusion of the existing M&A with immediate effect, and that any Directors be and is hereby authorised to do all things and acts to effect the adoption of the third amended and restated M&A and to make relevant registrations and filings in accordance with the applicable laws, regulations and requirements.”

By order of the Board
Hidili Industry International Development Limited
Xian Yang
Chairman and Executive Director

Hong Kong, 30 December 2022

Notes:

1. Any member entitled to attend and vote at the above meeting may appoint one or more proxies to attend and, on a poll, vote instead of him. A proxy need not be a member of the Company.
2. A form of proxy is enclosed. In order to be valid, a form of proxy together with the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy thereof, must be deposited at the Company’s Hong Kong branch share registrar, Computershare Hong Kong Investor Services

Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time appointed for holding the meeting. Completion and return of a form of proxy will not preclude you from attending and voting in person if you are subsequently able to be present.

3. The register of members of the Company will be closed from Friday, 20 January 2023 to Monday, 30 January 2023 (both days inclusive) during which period no transfer of shares of the Company will be effected. In order to qualify for the attendance at the EGM, all transfers accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Thursday, 19 January 2023.
4. As at the date of this notice, the executive directors of the Company are Mr. Xian Yang, 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.
5. In view of the ongoing novel coronavirus (COVID-19) outbreak, to safeguard the health and safety of the Shareholders, the Company will implement precautionary measures at the EGM, including but not limited to:
 - compulsory body temperature checks for all attendees;
 - compulsory wearing of surgical face masks for each attendee throughout the EGM;
 - maintaining proper distance between seats; and
 - no provision or distribution of refreshments, corporate gifts or souvenirs.

Any person who does not comply with the precautionary measures or is subject to any Hong Kong Government prescribed quarantine may be denied entry into, or required to leave, the EGM venue. The Company reminds Shareholders not to attend the EGM if they have contracted or are suspected to have contracted COVID-19 or have been in close contact with any person who has contracted or is suspected to have contracted COVID-19. The Company will keep the evolving COVID-19 condition under review and may implement and/or announce additional measures before the date of the EGM.

6. The Company reminds Shareholders that physical attendance in person at the EGM is **NOT** necessary for the purpose of exercising their voting rights at the EGM and that as an alternative, they may appoint the chairman of the EGM as their proxy to vote on the relevant resolutions at the EGM by completing and returning the form of proxy enclosed in accordance with the instructions printed thereon.
7. In the event that a black rainstorm warning or a tropical cyclone warning number 8 or above is hoisted or remains hoisted at on Monday, 30 January 2023, the EGM will be adjourned to the same time and place on the first business day after 30 January 2023.