

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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)

QUARTERLY UPDATE ON IMPLEMENTATION OF THE ACTION PLANS IN RESOLVING DISCLAIMER OF OPINION ISSUED BY THE AUDITORS

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

References are made to the annual report of the Company for the year ended 31 December 2024 (the “**Annual Report**”) published on 30 April 2025. Unless otherwise stated, capitalised terms used herein shall have the same meanings as those defined in the Annual Report.

As mentioned in the Annual Report, ZHONGHUI ANDA has issued Disclaimer of Opinion on the Group’s consolidated financial statements for the year ended 31 December 2024, which arose solely from going concern issue of the Group.

The purpose of this announcement is to inform the shareholders and potential investors of the Company with supplemental information in relation to the implementation of the action plans in resolving the Disclaimer of Opinion since 30 April 2025 and up to the date of this announcement as follows:

- (i) In 2024, China Minsheng Bank Chengdu Branch (“**Minsheng Bank**”), Ping An Bank Chengdu Branch and Ping An Bank Kunming Branch (collectively “**Ping An Bank**”) (dominating around 70% of the Company’s bank borrowings) disposed their respective debts to a PRC financial institution. Following the debt disposal by Minsheng Bank and Ping An Bank in 2024, the negotiations with the PRC financial institution and the remaining PRC Lending Banks were restarted in January 2025. Preliminary repayment proposals were delivered to the PRC financial institution and the respective remaining PRC Lending Banks for their internal consideration and

approval. The Company proposed a substantial portion of onshore bank borrowings to be extended to a term over one year and within five years and the outstanding interests to be waived.

The Company has held several negotiations with the PRC financial institution and the remaining PRC Lending Banks for major commercial terms of the preliminary repayment proposals and update the recent financial position of the Company. As at the date of this announcement, no agreement has been reached regarding the repayment proposals. The Company will actively communicate and negotiate with all relevant parties to reach a consensus as soon as possible.

Further announcement(s) will be made by the Company to inform shareholders and potential investors of the Company of any material developments relating to the finalization of the repayment proposals as and when appropriate.

- (ii) Regarding the offshore debt restructuring, the Company has communicated with financial advisors to formulate buyback arrangements with SPP and carried out feasibility studies.
- (iii) The Company continued to implement mechanized mining and successfully upgraded efficiency. The raw coal and clean coal production recorded for the six months period ended 30 June 2025 amounted to approximately 2,622,000 tonnes and 822,000 tonnes, representing increase of approximately 60% and 65% as compared to approximately 1,641,000 tonnes and 499,000 tonnes respectively in the corresponding period of 2024.

In addition, the Company adopted budgetary control over production overheads and reallocated resources from coal mines with low production. It resulted in reduction in production costs for the six months ended 30 June 2025.

Detailed analysis regarding the production and unit production cost for the six months ended 30 June 2025 will be disclosed in the coming interim result announcement to be published on or before 31 August 2025.

- (iv) The Company kept on imposing control over general administrative costs and actively assessing additional cost-cutting measures to further reduce spending.
- (v) The Company has also continued to seek suitable opportunities to dispose of certain assets to generate additional cash inflows.

The Company will continue to use its best endeavours to implement the action plans with an aim to resolving the Disclaimer of Opinion as soon as possible. The Company will publish further announcement(s) to keep the shareholders and potential investors of the Company informed of the status of implementation of the action plans as and when appropriate.

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

Hong Kong
31 July 2025

As at the date hereof, the executive Directors are Mr. Xian Fan (Chairman), Mr. Sun Jiankun and Mr. Zhaung Xianwei, the non-executive Director is Ms. Qiao Qian and the independent non-executive Directors are Mr. Chan Shiu Yuen Sammy, Mr. Huang Rongsheng and Ms. Xu Manzhen.