

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

*This announcement is for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for securities. This announcement is not an offer of securities for sale in the United States.*

## **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: 1393)**

### **PLACING OF EXISTING SHARES AND RESUMPTION OF TRADING**

#### **PLACING OF EXISTING SHARES**

The Board regrets to announce that it has been informed by the Vendor that the Placing Agreement has been entered into between the Vendor and the Placing Agent pursuant to which the Placing Agent has agreed to place the Placing Shares (being 220,000,000 Shares) to certain investors.

The Placing Shares represent approximately 11.0% of the existing issued share capital of the Company. Upon completion of the Placing, the Vendor will cease to be a shareholder of the Company.

#### **SUSPENSION AND RESUMPTION OF TRADING**

Trading in the Shares on the Stock Exchange has been suspended at the request of the Company with effect from 9:49 a.m. on 16 October 2007 pending the release of this announcement. An application has been made by the Company to the Stock Exchange for the resumption of trading of the Shares with effect from 9:30 a.m. on 17 October 2007.

#### **PLACING OF EXISTING SHARES**

The Board regrets to announce that it has been informed by the Vendor that the Placing Agreement has been entered into on the terms summarised below.

#### **Parties**

- (1) the Vendor; and
- (2) the Placing Agent.

The Vendor is a substantial shareholder of the Company and holds 220,000,000 Shares, representing approximately 11.0% of the existing issued share capital of the Company as at the date of this announcement. Upon completion of the Placing, the Vendor will cease to be a shareholder of the Company.

### **Number of Placing Shares**

The Placing Shares, being 220,000,000 Shares, represent approximately 11.0% of the existing issued share capital of the Company.

### **OTHERS**

Reference was made to the section headed “Underwriting” of the Prospectus and unless otherwise defined in this announcement, terms defined in the Prospectus have the same meanings when used in this section headed “Others”.

As disclosed in the Prospectus, the Vendor has undertaken to the Company, the Global Coordinator and the Hong Kong Underwriters that, among other matters, during the period commencing from the date of the Hong Kong Underwriting Agreement and ending on the date which is six (6) months from the Listing Date, save and except for the Sale Shares to be sold by the Vendor under the Global Offering, it shall not, without the prior written consent of the Global Coordinator offer, pledge, charge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant or agree to grant any option, right or warrant to purchase or subscribe for, lend or otherwise transfer or dispose of, either directly or indirectly, conditionally or unconditionally any of the share capital, debt capital or other securities of the Company held by the Vendor.

In respect of the above undertaking and the Placing, the Board has been informed by the Vendor that the Vendor has obtained the prior written consent from the Global Coordinator. The Vendor has further informed the Company that the Placing was done in the ordinary course of business as part of the investment program of the Vendor, but not a reflection of the material change of the Company’s business outlook.

The Board would like to reiterate that it has only been informed by the Vendor of the Placing after the close of business on 15 October 2007 and shortly before the consummation of the Placing. The Board would also like to express its regret at the fact that no reasonable prior notice was given to the Company before the Vendor and the Placing Agent entered into the Placing Agreement. Notwithstanding the Placing, the Company will continue to strive to become a leading integrated coal enterprise in China.

### **SUSPENSION AND RESUMPTION OF TRADING**

Trading in the Shares on the Stock Exchange has been suspended at the request of the Company with effect from 9:49 a.m. on 16 October 2007 pending the release of this announcement. An application has been made by the Company to the Stock Exchange for the resumption of trading of the Shares with effect from 9:30 a.m. on 17 October 2007.

## DEFINITIONS

“Board”	the board of Directors
“Company”	Hidili Industry International Development Limited 恒鼎實業國際發展有限公司, a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the Stock Exchange
“Director(s)”	directors of the Company
“Placing”	the placing of the Placing Shares by the Vendor, through the Placing Agent, pursuant to the Placing Agreement
“Placing Agent” or “Global Coordinator”	UBS AG, acting through its business group, UBS Investment Bank
“Placing Agreement”	the placing and underwriting agreement dated 15 October 2007 between the Vendor and the Placing Agent
“Placing Shares”	220,000,000 Shares legally and beneficially owned by the Vendor
“Prospectus”	the prospectus of the Company dated 10 September 2007
“Share(s)”	ordinary share(s) of HK\$0.10 each in the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendor”	Baring Private Equity Asia III Holding (5A) Limited

By order of the Board of  
**Hidili Industry International Development Limited**  
恒鼎實業國際發展有限公司  
**Xian Yang**  
Chairman

Hong Kong, 16 October 2007

*As at the date of this announcement, the Board comprises Mr. Xian Yang, Mr. Sun Jiankun, Mr. Wang Rong and Mr. Tu Xiaoyu as executive Directors, Mr. Tsang Kwong Yue Conrad as non-executive Director, and Mr. Chan Chi Hing, Mr. Wang Zhiguo and Mr. Huang Rongsheng as independent non-executive Directors.*

*Please also refer to the published version of this announcement in South China Morning Post.*