



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)

ANNOUNCEMENT

Reference is made to the announcement dated 31 August 2008 published by the Company regarding the Earthquake in Panzhihua City on 30 August 2008. All the coal mines in Panzhihua City, Sichuan Province were required by the Safe Production Committee to suspend production for safety reasons. Safety Checking was required to be conducted in all the coal mines and reported to the Safe Production Committee for inspection and approval for restoration of production. As at the date of this announcement, all the coal mines of the Company and its subsidiaries in Panzhihua City have completed the Safety Checking. Production in such coal mines has started to resume on 8 September 2008. The Board believes that the Suspension Period may lead to a decrease in the Group's raw coal production volume in Panzhihua City in September 2008.

Reference is made to the announcement dated 31 August 2008 published by Hidili Industry International Development Limited (the "Company") regarding the earthquake in Panzhihua City (the "Earthquake") on 30 August 2008. All the coal mines in Panzhihua City, Sichuan Province were required by the Panzhihua City Safe Production Committee (the "Safe Production Committee") to suspend production for safety reasons. Safety checking ("Safety Checking") was required to be conducted in all the coal mines and reported to the Safe Production Committee for inspection and approval for restoration of production. As at the date of this announcement, all the coal mines of the Company and its subsidiaries (together, the "Group") in Panzhihua City have completed the Safety Checking. Production in such coal mines has started to resume on 8 September 2008. The board of directors of the Company (the "Board") believes that the suspension of production from 30 August 2008 to 7 September 2008 (the "Suspension Period") may lead to a decrease in the Group's raw coal production volume in Panzhihua City in September 2008.

The Group's operating results are mainly driven by the manufacturing and sales of clean coal and coke. The Group's processing facilities, namely its coal washing and coking plants, have operated as usual during the Suspension Period. The following table sets forth the production volume and the sales volume of the principal products of the Group for the six months ended 30 June 2008, for the months of July and August 2008 and for the period from 1 to 15 September 2008.

	Six months ended 30 June 2008 (Actual) ('000 tonnes)	The month of July 2008 (Actual) ('000 tonnes)	The month of August 2008 (Actual) ('000 tonnes)	Period from 1 to 15 September 2008 (Actual) ('000 tonnes)
Production volume				
In Panzhihua City				
— Raw coal	1,036.3	134.6	171.7	23.0
— Clean coal	528.3	70.6	72.5	20.0
— Coke	285.5	49.5	44.0	12.0
In Pan county				
— Raw coal	211.4	81.2	126.7	101.0
— Clean coal	333.2	86.2	91.5	31.8
— Coke	101.8	25.1	15.1	3.7
Sales volume of principal products				
— Clean coal	371.0	63.6	80.9	42.8
— Coke	373.7	83.9	51.4	22.0

Since it is the Group's inventory policy to keep a sufficient level of raw coal for further processing of clean coal and coke, no suspension of production and sales of clean coal and coke was experienced during the Suspension Period. The Board believes that the Group is capable of stabilizing the raw coal production and restoring a sufficient level of raw coal inventory in Panzhihua City by the end of September 2008.

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

Hong Kong
17 September 2008

As at the date hereof, the executive directors of the Company are Mr. Xian Yang (Chairman), Mr. Sun Jiankun and Mr. Wang Rong; and the independent non-executive directors of the Company are Mr. Chan Chi Hing, Mr. Wang Zhiguo and Mr. Huang Rongsheng.