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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)

### **ANNOUNCEMENT**

This announcement is made pursuant to Rule 13.09 of the Listing Rules.

Pursuant to the “Notification of Invalidation of Preserving an Independent Production System under Consolidation and Technology Innovation of Coal Mines” (“關於取消整合、技改煤礦保留一套獨立生產系統的通知”) published by Guizhou Provincial Government in November 2010, Guizhou Provincial Government will invalidate the policy of preserving an independent production system under consolidation and technology innovation of coal mines on December 31, 2010. All the coal mines undergoing consolidation and technology innovation should be completed safely as scheduled to ensure to pass the checking upon completion as soon as possible and obtain the permit before production.

In Guizhou, the Company currently owns 20 coal mines in total, among which 6 coal mines including Gongjiaotian Mine, Xileqing Mine, Dongguaao Mine, Dechang Mine, Xiangxing Mine and Jinhe Mine own the old production system as defined in the above-mentioned notification. At present, the coal mines produce raw coal through the old existing production system. During the process of consolidation and technology innovation, the Company needs to construct a new production system. Such coal mines are expected to commence official production in May 2011, April 2011, June 2011, December 2011, March 2012 and June 2012 respectively.

Accordingly, the technical and engineering staff of coal mine administrative department of the Company conducted a comprehensive and prudent assessment in respect of the construction progress of all coal mines undertaking consolidation and technology innovation of the Company located in Guizhou. The Company has estimated that its raw coal production plan in 2011, which had originally set a production target of 5.5 million tons, would be reduced by around 600,000 tons. There is no impact for the raw coal production in the remaining coal mines of the Company. And, all the development schedule of the coal mines will not be affected.

By order of the Board

**Hidili Industry International Development Limited**

**XIAN Yang**

*Chairman*

Hong Kong, December 8, 2010

*As at the date of this announcement, 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. CHEN Limin and Mr. HUANG Rongsheng.*