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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 ON MAJOR OPERATIONAL DATA FOR THE THREE MONTHS ENDED 30 JUNE 2011**

The board of directors of Hidili Industry International Development Limited (the “Company”) together with the directors thereof guarantee that the information contained in this announcement does not contain any false statements, misleading representations or material omissions, and all of them jointly and severally accept responsibility as to the truthfulness, accuracy and completeness of the content of this announcement.

### **OPERATIONAL DATA FOR THE THREE MONTHS ENDED 30 JUNE 2011**

	<b>Three months ended 30 June 2011</b>	<b>Three months ended 30 June 2010</b>	<b>Percentage change</b>
<b>Sales data</b>			
Clean coal			
Sales volume ( <i>thousand tonnes</i> )	391	310	26%
Average selling price (net of valued added tax “VAT”) ( <i>RMB per tonne</i> )	1,342	1,113	21%

Coke			
Sales volume ( <i>thousand tonnes</i> )	33	151	(78%)
Average selling price (net of VAT) ( <i>RMB per tonne</i> )	1,557	1,455	7%

*Thousand tonnes    Thousand tonnes*

### **Production data**

#### Raw coal

Sichuan province	467	384	22%
Guizhou province	163	467	(65%)
Yunnan province	105	220	(52%)
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Subtotal	<u>735</u>	<u>1,071</u>	(31%)

#### Clean coal

Sichuan province	213	167	28%
Guizhou province	61	186	(67%)
Yunnan province	78	138	(43%)
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Subtotal	<u>352</u>	<u>491</u>	(28%)

#### Coke

Sichuan province	35	109	(68%)
Guizhou province	—	31	(100%)
Yunnan province	—	—	—
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Subtotal	<u>35</u>	<u>140</u>	(75%)

## **OPERATIONAL OVERVIEW**

Since 2007, the Company acquired coal mines in Pan county, Guizhou province and Fuyuan county, Yunnan province. The Company currently owns 30 coal mines (including 29 mining rights and 1 exploration right) in these regions. After the acquisition of these coal mines, the Company arranged for the development of a new production system in order to enlarge coal mine production capacity and to upgrade safety standards. As at 30 June 2011, we have a total of (i) 20 coal mines in Guizhou province, comprising 10 integrated coal mines, 8 newly constructed coal mines and 2 expanded coal mines, of which 1 integrated coal mine and 3 newly constructed coal mines are currently under trial run, and 1 newly constructed coal mine has completed the trial run stage and has commenced production, and (ii) a total of 10 coal mines in Yunnan province comprising 5 integrated coal mines, 2 newly constructed coal mines, 2 expanded coal mines and 1 coal mine with exploration right, of which 1 integrated coal mine is currently under trial run and 1 newly constructed coal mine has completed the trial run stage and has commenced production.

The Board noted that a series of coal mine accidents had occurred in Pan county, Liupanshui city, Guizhou province and Qujing city, Yunnan province in March and April 2011. None of the Group's coal mines was involved in these accident. However, the production of the coal mines in these regions was suspended to facilitate an inspection conducted by a special action team established by the coal mines management authorities. Due to the above suspension of production, the Group's raw coal production at the coal mines in Guizhou province and Qujing city, Yunnan province has, in aggregate, decreased 370,000 tonnes as at 30 June 2011.

The major operational data for the three months ended 30 June 2011 was calculated based on the internal statistics of the Company and is intended to give investors an overview of the production and operation of the Company. The major operational data may somewhat differ from the data disclosed in the relative periodic reports of the Company. In addition, affected by various factors, including (but not limited to) the adjustment of the macroeconomic policy of the state, changes in the domestic and overseas market conditions, bad weather and disasters, equipment maintenance and safety inspection, material differences may exist among the productive and operational data published quarterly. The aforesaid operational data does not make any express or implied forecasts or guarantees in respect of the Company's operating condition. The investors are hereby reminded of the risks which may result from inappropriate reliance upon or utilization of the information given above.

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

Hong Kong  
19 July 2011

*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.*