

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)

ANNOUNCEMENT ON MAJOR OPERATIONAL DATA FOR THE THREE MONTHS ENDED 31 DECEMBER 2012

The board of directors of Hidili Industry International Development Limited (the “**Company**”) together with the directors thereof confirm that the contents of 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 contents of this announcement.

OPERATIONAL DATA FOR THE THREE MONTHS ENDED 31 DECEMBER 2012

	Three months ended 31 December 2012	Three months ended 31 December 2011	Percentage change
Sales data			
Clean coking coal			
Sales volume (<i>thousand tonnes</i>)	201	646	(69%)
Average selling price (net of value-added tax (“VAT”)) (<i>RMB per tonne</i>)	980	1,312	(25%)

	Three months ended 31 December 2012	Three months ended 31 December 2011	Percentage change
Coke			
Sales volume (<i>thousand tonnes</i>)	21	51	(59%)
Average selling price (net of VAT) (<i>RMB per tonne</i>)	1,376	1,580	(13%)

Thousand tonnes Thousand tonnes

Production data

Raw coal

Sichuan province	23	499	(95%)
Guizhou province	385	469	(18%)
Yunnan province	69	397	(83%)

Subtotal	<u>477</u>	<u>1,365</u>	(65%)
----------	------------	--------------	-------

Clean coal

Sichuan province	6	239	(97%)
Guizhou province	86	151	(43%)
Yunnan province	87	204	(57%)

Subtotal	<u>179</u>	<u>594</u>	(70%)
----------	------------	------------	-------

Coke

Sichuan province	26	54	(52%)
Guizhou province	—	—	—
Yunnan province	—	—	—

Subtotal	<u>26</u>	<u>54</u>	(52%)
----------	-----------	-----------	-------

OPERATIONAL OVERVIEW

As at 31 December 2012, the Group owned 30 coal mines (including 29 mining rights and one exploration right) in Guizhou province and Yunnan province. After the acquisition of these coal mines, the Company implemented a new production system in order to enlarge coal mine production capacity and to enhance safety standards. As at 31 December 2012, the Company had (i) a total of 20 coal mines in Guizhou province, comprising ten integrated coal mines, eight newly constructed coal mines and two expanded coal mines, of which one integrated coal mine and one expanded coal mine are currently under trial run, and five newly constructed coal mines and three integrated coal mines have completed the trial run stage and have commenced production; and (ii) a total of ten coal mines in Yunnan province comprising five integrated coal mines, two newly constructed coal mines, two expanded coal mines and one coal mine with exploration right, of which one integrated coal mine is currently under trial run, and one newly constructed coal mine and one integrated coal mine have completed the trial run stage and have commenced production.

Due to the coal and gas outburst accident happened on 5 December 2012 in No. 1 Shaft located at Shangchang Coal Mine in Huangnihe Town, Fuyuan County, Qujing City (which the Group was not involved), all the coal mines within the territory of Qujing City have suspended production for inspection after the accident. The Group owns ten coal mines in Fuyuan County, Qujing City, nine of which have mining rights and the other one has exploration right. Nine coal mines as mentioned above have suspended production after the accident. All coal mines under suspension for inspection shall not resume production before the Chinese New Year, as notified by the relevant government authorities.

Currently, the production of coal mines within the territory of Qujing City is still under suspension. The Group has communicated with the competent authorities and the time for resumption is yet to be determined. The Group will publish an announcement to update the latest progress as and where appropriate.

As at the date of this announcement, the production of all coal mines in Panzhihua, Sichuan province is still under suspension. No governmental approval in relation to the resumption of production has been received. The Group will publish a further announcement to update the latest progress as and where appropriate.

The Company's coking plant in Panzhihua with annual capacity of 200,000 tonnes has ceased production as there was no sufficient clean coal supplied for coking resulting from the industry policy implemented by the PRC government and ongoing coal mine consolidation.

The major operational data for the three months ended 31 December 2012 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 related 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 in the future. Investors are hereby reminded of the investment 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
恒鼎實業國際發展有限公司
Xian Yang
Chairman

Hong Kong
21 January 2013

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