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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)

PROFIT WARNING

This announcement is made by the Company pursuant to Rule 13.09 of the Listing Rules and the Inside Information Provisions under Part XIVA of the SFO.

The Board wishes to inform the shareholders of the Company and potential investors that based on a preliminary review of the Group's unaudited consolidated management accounts for the year ended 31 December 2012 and the information currently available to the Board, the Board currently estimates that for the year ended 31 December 2012, the Group is expected to record a substantial decrease in profit after taxation, as compared to the profit after taxation for the year ended 31 December 2011.

The information contained in this announcement is based on a preliminary assessment by the Board solely on the basis of the unaudited consolidated management accounts of the Group and the current information available, which have not been reviewed nor audited by the independent external auditors of the Company.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.

This announcement is made by the board of directors (the “**Board**”) of Hidili Industry International Development Limited (the “**Company**”, together with its subsidiaries, the “**Group**”)) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong) (the “**SFO**”).

The Board wishes to inform the shareholders of the Company and potential investors that based on a preliminary review of the Group’s unaudited consolidated management accounts for the year ended 31 December 2012 and the information currently available to the Board, the Board currently estimates that for the year ended 31 December 2012, the Company is expected to record a substantial decrease in profit after taxation, as compared to the profit after taxation for the year ended 31 December 2011. The substantial decrease is mainly attributable to the sales volume and selling prices of the Company’s principal products maintained at a low level in the second half of 2012. Also, 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 the ongoing coal mine consolidation. The Company therefore expects to make respective provision for impairment.

The information contained in this announcement is based on a preliminary assessment by the Board solely on the basis of the unaudited consolidated management accounts of the Group and the current information available, which have not been reviewed nor audited by the independent external auditors of the Company.

Shareholders of the Company and potential investors are advised to read carefully the annual results announcement of the Company for the year ended 31 December 2012 which is expected to be published in March 2013.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.

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

Hong Kong
21 January 2013

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.