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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 31 MARCH 2013

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 MARCH 2013

	Three months ended 31 March 2013	Three months ended 31 March 2012	Percentage change
Sales data			
Clean coking coal			
Sales volume (<i>thousand tonnes</i>)	168	332	(49%)
Average selling price (net of value-added tax (“VAT”)) (<i>RMB per tonne</i>)	1,111	1,330	(16%)

	Three months ended 31 March 2013	Three months ended 31 March 2012	Percentage change
Coke			
Sales volume (<i>thousand tonnes</i>)	13	47	(72%)
Average selling price (net of VAT) (<i>RMB per tonne</i>)	1,571	1,632	(4%)
	<i>Thousand tonnes</i>	<i>Thousand tonnes</i>	
Production data			
Raw coal			
Sichuan province	—	338	(100%)
Guizhou province	302	375	(19%)
Yunnan province	—	247	(100%)
Subtotal	<u>302</u>	<u>960</u>	(69%)
Clean coal			
Sichuan province	—	167	(100%)
Guizhou province	73	102	(28%)
Yunnan province	44	139	(68%)
Subtotal	<u>117</u>	<u>408</u>	(71%)
Coke			
Sichuan province	20	51	(61%)
Guizhou province	—	—	—
Yunnan province	—	—	—
Subtotal	<u>20</u>	<u>51</u>	(61%)

OPERATIONAL OVERVIEW

As at 31 March 2013, 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 March 2013, 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.

The operations and construction of 20 coal mines, 10 of which are coal producing mines, in Guizhou Province owned by the Company and its subsidiaries have all been suspended since the occurrence of the “3.12” Machang Coal Mine Incident. We have commenced a selfinspection and rectification process for a full-scale investigation of any hazards in administration. Since 19 March 2013, the procedure of safety inspection and acceptance by the government has begun. Currently, 8 out of the 10 coal producing mines have passed acceptance inspection on production resumption and resumed normal production; and the operations of 2 out of the 10 mines have been suspended for the internal consolidation. Construction was re-started for the coal mines that had been under construction.

Since the occurrence of the “12.5” Shangchang Coal Mine (上廠煤礦) Incident in Huangnihe Town (黃泥河鎮), all coal mines throughout Qijing City have been suspended. The Company and its subsidiaries have 10 coal mines in total in Fuyuan County (富源縣) of Yunnan Province, 9 of them have the mining rights and 1 of them has the exploration right. 9 coal producing mines have been suspended subsequent to the “12.5” Shangchang Coal Mine (上廠煤礦) Incident. The government held a meeting on inspection and acceptance on 22 March 2013, and the 9 coal mines have passed acceptance inspection on production resumption and resumed normal production.

Since the occurrence of the “8.29” Xiaojiawan Coal Mine (肖家灣煤礦) Incident in Panzhihua City, all coal mines throughout Panzhihua City have been suspended for inspection. Five mining areas in Panzhihua City, namely Dahegou mining area, Banshan mining area, Huijiasuo mining area, Bainipo mining area and Tianbao mining area, owned by the Company and its subsidiaries have been suspended. Currently, Tianbao mining area and Dahegou mining area have passed acceptance inspection and received the notice on production resumption, and the rest are awaiting the acceptance inspection on production resumption by the government or the consolidation solution of the government.

None of the production and operation of the Company and its subsidiaries is affected by the “4.20” Ya’an, Sichuan (四川雅安) Earthquake.

The major operational data for the three months ended 31 March 2013 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 of
Hidili Industry International Development Limited
恒鼎實業國際發展有限公司
Xian Yang
Chairman

Hong Kong, 25 April 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.