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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)

(1) VERY SUBSTANTIAL DISPOSAL (2) INSIDE INFORMATION OF THE COMPANY AND (3) RESUMPTION OF TRADING

This announcement is made by the Board pursuant to Rule 13.09(1) of the Listing Rules and the Inside Information Provisions.

THE DISPOSAL

On 17 May 2013, Hidili China, Panzhihua Hidili and Yunnan Dongyuan entered into the Agreement pursuant to which the parties conditionally agreed to the Disposal at a consideration of RMB2.4 billion (equivalent to approximately HK\$3.0 billion) which is payable by Yunnan Dongyuan to Panzhihua Hidili.

IMPLICATION OF THE LISTING RULES

As the applicable percentage ratios for the Disposal will exceed 75%, the Disposal constitutes a very substantial disposal of the Company under Chapter 14 of the Listing Rules and is therefore subject to Shareholders' approval at the EGM.

As Completion is subject to the fulfilment of certain conditions precedent and may or may not proceed, Shareholders and potential investors should exercise caution when dealing in the securities of the Company.

RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange has been suspended from 9:00 a.m. on 20 May 2013 pending the release of this announcement. An application has been made to the Stock Exchange for the resumption of trading in Shares with effect from 9:00 a.m. on 27 May 2013.

This announcement is made by the Board pursuant to Rule 13.09(1) of the Listing Rules and the Inside Information Provisions (the “**Inside Information Provisions**”) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Reference is also made to the announcement issued by the Company on 28 August 2012 in relation to, among other things, the major transaction in relation to the capital injection by Huaneng Trust into certain subsidiaries of the Company (the “**Announcement**”).

THE AGREEMENT

On 17 May 2013, Hidili China, Panzhihua Hidili and Yunnan Dongyuan entered into the Agreement pursuant to which the parties conditionally agreed to the Disposal at a consideration of RMB2.4 billion (equivalent to approximately HK\$3.0 billion) which is payable by Yunnan Dongyuan to Panzhihua Hidili.

The principal terms of the Agreement are set out below:

Date

17 May 2013

Parties

- (1) Hidili China
- (2) Panzhihua Hidili
- (3) Yunnan Dongyuan

Target Company and Target Group

Pursuant to the Agreement, Yunnan Dongyuan will acquire 50% of the equity interest in the Target Company, which, upon completion of the Disposal, will comprise the following companies:

- Fuyuan Dahe
- Fuyuan Fude
- Fuyuan Jintai
- Fuyuan Jintong
- Fuyuan Maosheng
- Fuyuan Kuntie
- Fuyuan Kunyuan
- Fuyuan Tonghe
- Fuyuan Xiangda

- Fuyuan Yuyuan
- Guizhou Weiqing
- Yunnan Henglong
- Yunnan Hidili Industry

Purchase Consideration

The consideration for the Disposal shall be RMB2.4 billion (equivalent to approximately HK\$3.0 billion) which was determined after arm's length negotiation among the parties to the Agreement with reference to, among other things, the valuation of the net assets value of the Target Companies as at 31 December 2012 as appraised by China Alliance Appraisal Co., Ltd., an independent valuer jointly appointed by the Company and Yunnan Dongyuan that possesses relevant professional qualification and is not a Competent Evaluator under Rule 18.23 of the Listing Rules.

Yunnan Dongyuan must pay the Purchase Consideration to Panzihua Hidili in cash in the following manner:

- (a) a sum of RMB1.2 billion (equivalent to approximately HK\$1.5 billion) (the “**Escrow Amount**”), representing 50% of the Purchase Consideration, will be paid by Yunnan Dongyuan to an escrow account (the “**Escrow Account**”) jointly opened and maintained by Yunnan Dongyuan and Panzihua Hidili within seven days from the date of the Agreement and upon the execution of the Equity Pledge and the Guarantees. Written approval from both parties are required on any movement of the Escrow Amount.

The Escrow Amount should be used as partial payment of the Buy Back Consideration to buy back the Target Equity Interest from Huaneng Trust. Upon the execution of the Equity Transfer Agreements in relation to the buy back of the Target Equity Interest, Panzihua Hidili and Yunnan Dongyuan will immediately release the Escrow Amount from the Escrow Account to Hidili China and/or Panzihua Hidili or their associated companies. Within three days from the receipt of the Escrow Amount, Hidili China and/or Panzihua Hidili or their associated companies must use the same to partially pay the Buy Back Consideration to Huaneng Trust and provide Yunnan Dongyuan with a copy of documentary evidence showing such payment to Huaneng Trust.

The consideration of the Equity Transfer Agreements is the same as the Buy Back Consideration as set out in the Share Transfer Agreements in respect of which a written shareholder's approval of the Company had been obtained on 13 September 2012 from Sanlian Investment Holding Limited which held 1,100,674,000 Shares (representing approximately 53.28% of the existing issued share capital of the Company as at 13 September 2012) for the entry of the Share Transfer Agreements.

The principal terms of the Equity Transfer Agreements are set out below:

Target Subsidiaries	Equity interest held by Huaneng Trust before signing of the Equity Transfer Agreements %	Equity interest to be bought back by the Group from Huaneng Trust pursuant to the Equity Transfer Agreements %	Buy Back Consideration payable by the Group to Huaneng Trust <i>RMB' million</i>
Yunnan Hidili	34%	34%	270,619
Fuyuan Kunyuan	38%	38%	248,918
Fuyuan Xiangda	41%	41%	64,935
Yunnan Henglong	41%	41%	97,402
Fuyuan Dahe	38%	38%	289,639
Fuyuan Tonghe	40%	40%	151,515
Fuyuan Jintai	39%	39%	<u>97,402</u>
			<u><u>1,220,430</u></u>

As the Group will not buy back the equity interest of Panzhihua Yanjiang held by Huaneng Trust pursuant to the Equity Transfer Agreements, the outstanding Buy Back Consideration (the “**Outstanding Buy Back Consideration**”) for the Group to buy back the equity interest of Panzhihua Yanjiang will be approximately RMB374 million. The Company intends to settle the Outstanding Buy Back Consideration.

- (b) the balance of approximately RMB1.2 billion (equivalent to approximately HK\$1.5 billion) shall be paid by Yunnan Dongyuan to Panzhihua Hidili within 10 days after the completion date of the Disposal, being the registration date of the transfer contemplated under the Disposal in the name of Yunnan Dongyuan (the “**Completion**”).

Conditions for the completion of the Agreement

Under the Agreement, Yunnan Dongyuan has agreed to purchase the Target Company, subject to the fulfilment of, among others, the following conditions:

- (a) the Equity Pledge having been registered within five business days from the date of the Agreement;

- (b) the completion of the assessment of the assets of the Disposal by Hidili China, Panzihua Hidili and Yunnan Dongyuan within one month from the date of the Agreement, which assessment shall commence within seven days from the date of the Agreement;
- (c) the consolidated net assets value together with the capitalisation of amount due to the Group maintained by the Target Companies of Yunnan Hidili as at 31 December 2012 are not less than RMB4.0 billion;
- (d) the Group Reorganisation having been completed within two months from the date of the Agreement; and
- (e) the approval of the Shareholders having been obtained by the Company in compliance with the applicable Listing Rules in respect of the transactions contemplated under the Agreement.

Upon Completion, the parties to the Agreement agree, among other things, that (i) the board of directors of the Target Company shall comprise five directors, of which Yunnan Dongyuan is entitled to nominate three directors and Sichuan Hidili is entitled to nominate two directors, which appointment shall be approved at the shareholders' meeting of the Target Company; (ii) a director nominated by Sichuan Hidili shall be the chairman of the board of directors of the Target Company whose appointment shall be decided by the board of directors of the Target Company; and (iii) all matters at board meetings of the Target Company shall be determined by the vote of a three-fourth majority of the board of directors of the Target Company.

Further, the Target Company will cease to be a subsidiary of the Company upon Completion and will not be consolidated into the Company accordingly.

Undertakings, Representations and Warranties

Each of Hidili China and Panzihua Hidili undertakes to Yunnan Dongyuan, among others, that:

- (a) the Group Reorganisation will be completed within two months from the date of the Agreement;
- (b) the delivery of all legal documentation evidencing that (i) the completion of the Group Reorganisation to Yunnan Dongyuan within three days after the completion of the Group Reorganisation, including the registers of members of the Target Group; and (ii) the consolidated net assets value of the Target Companies together with the capitalisation of amounts due to the Group maintained by the Target Companies are not less than RMB4.0 billion as at 31 December 2012; and
- (c) if the Group Reorganisation is not completed within 90 days from the date of the Agreement, Hidili China and Panzihua Hidili must pay a lump sum of RMB5 million to Yunnan Dongyuan.

Hidili China and Panzihua Hidili represented and warranted to Yunnan Dongyuan in respect of the affairs of the Target Company, including the ownership to the Target Group and the assets, financial matters, tax, material contracts and litigation of the Target Company.

Termination

The Agreement will terminate upon the occurrence of, among others, any of the following events:

- (a) the mutual termination of the Agreement by the parties to the Agreement;
- (b) a unilateral termination of the Agreement by a party that is not in default by giving a written notice to a party that is in default, which termination will take effect automatically upon the delivery of the above written notice; or
- (c) a force majeure event rendering the non-fulfilment of the objective of the Agreement.

Yunnan Dongyuan can unilaterally terminate the Agreement if, among other things:

- (a) the Group Reorganisation is not completed within 60 days from the date of the Agreement; or
- (b) Hidili China, Panzihua Hidili and/or their associated companies fail to pay the Buy Back Consideration to Huaneng Trust or the buy back of the Target Equity Interest from Huaneng Trust is delayed for more than 30 days from the date of this Agreement.

Upon the unilateral termination of the Agreement by Yunnan Dongyuan in accordance with the terms of the Agreement, Hidili China and Panzihua Hidili must refund all payments received from Yunnan Dongyuan under the Agreement to Yunnan Dongyuan and compensate Yunnan Dongyuan for all losses it suffers, including any financing interest.

THE EQUITY PLEDGE

On 17 May 2013, Hidili China created the Equity Pledge in favour of Yunnan Dongyuan to secure the obligations of Hidili China and Panzihua Hidili under the Agreement. The parties to the Equity Pledge must register the Equity Pledge with the Administration for Industry and Commerce of the PRC within five days from the date of the execution of the Equity Pledge.

The Equity Pledge became effective on the execution date of the Equity Pledge and ceases to have any effect upon Completion. The parties to the Equity Pledge must proceed to discharge the Equity Pledge within 10 business days after the Completion.

THE GUARANTEES

On 17 May 2013, each of Hidili China, Sichuan Hidili and the Target Companies (other than Fuyuan Kuntie, Fuyuan Jintong and Guizhou Weiqing) have respectively executed the Guarantees in favour Yunnan Dongyuan to guarantee, among others, the performance of the

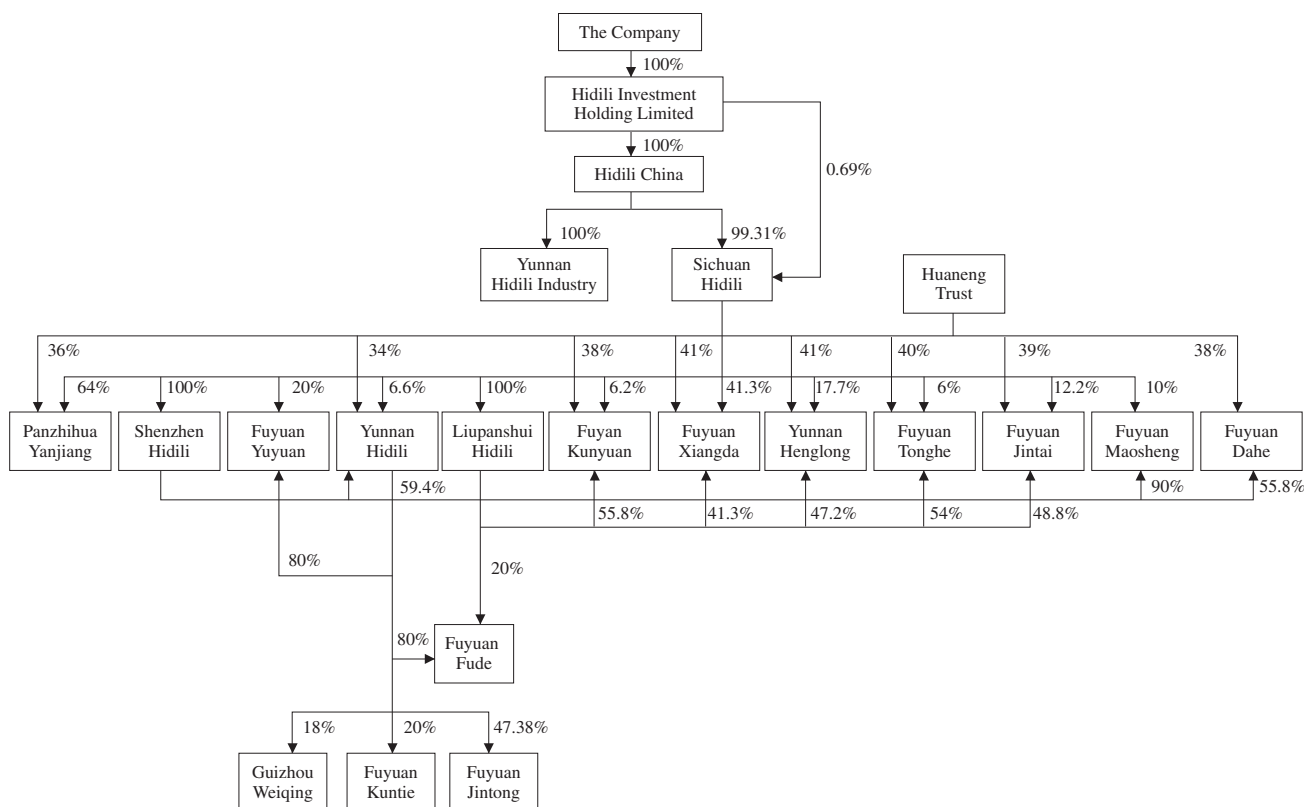
obligations of Hidili China and Panzhihua Hidili under the Agreement, including the obligation of Panzhihua Hidili to effect the transfer contemplated under the Disposal and the obligations of Panzhihua Hidili upon the termination of the Agreement.

The Guarantees became effective from the date of the Agreement and cease to have any effect upon Completion or upon the expiry of nine months from the date of the Guarantees, whichever is shorter.

GROUP REORGANISATION

Group structure before and after the Group Reorganisation

A summary of the structure of the Group comprising the Target Group as at the date of this announcement and immediately before the implementation of the Group Reorganisation (assuming no other changes in the shareholding structure of the Group since the date of this announcement) is set out below:



Save as disclosed above, the other shareholders of each of Guizhou Weiqing, Fuyuan Kuntie, Fuyuan Jintong and Fuyuan Dahe are set out below:

Target Companies	Name of other shareholder(s)	Equity interest held in the Target Companies %
Guizhou Weiqing	雲南凱捷實業有限公司 (Yunnan Kaijie Industry Company Limited*) (“ Yunnan Kaijie ”)	51%
	六盤水威箐焦化有限公司 (Liupuishui Weiqing Coking Company Limited*)	23%
	盤縣宏財投資有限責任公司 (Panxian Hongcai Investment Company Limited*)	8%
Fuyuan Kuntie	Yunnan Kaijie	80%
Fuyuan Jintong	Yunnan Kaijie	33.18%
	富源縣華泰經貿有限公司(Fuyuan County Huatai Trading Company Limited*)	19.44%
Fuyuan Dahe	Peng Zhongqiang	3.52%
	Chen Laoling	2.36%
	Tian Jinyi	0.25%
	Guo Minli	0.07%

Yunnan Kaijie is a substantial shareholder of two subsidiaries of the Company, namely 盤縣盤鑫焦化有限公司 (Panxian Panxin Coking Company Limited*) and 盤縣盤翼選煤有限公司(Panxian Panyi Coal Washing Company Limited*). Yunnan Kaijie, being shareholders of Guizhou Weiqing, Fuyuan Kuntie and Fuyuan Jintong, is a connected person of the Company under Rule 14A.11 of the Listing Rules.

ACCOUNTING IMPACT AFTER THE DISPOSAL

Upon Completion, Yunnan Dongyuan will hold 50% equity interest in the Target Group and start to consolidate the results of the Target Group from 1 January 2013.

The Group expects that it would realise a gain on the Disposal of approximately RMB0.4 billion, which is calculated based on the net Purchase Consideration of RMB2.4 billion and after deducting the combined net assets value of the Target Group as at 31 December 2012 of approximately RMB2.0 billion, representing 50% of the combined net assets value as at 31 December 2012 of the Target Group of approximately RMB2.6 billion and capitalisation of current accounts of approximately RMB0.7 billion.

INFORMATION OF THE GROUP, THE TARGET GROUP, HIDILI CHINA, PANZHIHUA HIDILI, SICHUAN HIDILI AND YUNNAN DONGYUAN

The Group

The Company was incorporated in the Cayman Islands and registered as an exempted company with limited liability on 1 September 2006 and has been listed on the Stock Exchange since 21 September 2007.

The Group is one of the largest integrated coal enterprises in South West China and is principally engaged in coal mining and processing and sales of clean coal, coke, alloy pig iron and related by-products.

Target Group

The principal activities of each of the Target Group are coal mining coal washing and provision of railway logistics service in Yunnan and Guizhou provinces in the PRC, respectively. The principal activities of the Target Group are as follows:

Target Group	Principal activities	Location of the principal place of business
Yunnan Hidili	Yanhe Coal Mine	Yunnan, PRC
Fuyuan Dahe	Qingping Coal Mine	Yunnan, PRC
Fuyuan Fude	Fude Coal Washing Plant	Yunnan, PRC
Fuyuan Jintai	Xingji Coal Mine	Yunnan, PRC
Fuyuan Jintong	Yangweishao Railway Logistic Station	Yunnan, PRC
Fuyuan Maosheng	Maosheng Coal Washing Plant	Yunnan, PRC
Fuyuan Kuntie	Kuntie Coal Washing Plant	Yunnan, PRC
Fuyuan Kunyuan	Jianglang Coal Mine	Yunnan, PRC
Fuyuan Tonghe	Xingjian Coal Mine	Yunnan, PRC
Fuyuan Xiangda	Xiangda No.1 Coal Mine	Yunnan, PRC
Fuyuan Yuyuan	Hexing Coal Mine	Yunnan, PRC
Guizhou Weiqing	Weiqing Railway Logistic Station	Guizhou, PRC
Yunnan Henglong	Zude Coal Mine	Yunnan, PRC
Yunnan Hidili Industry	Mohong Coal Washing Plant	Yunnan, PRC

The audited results and net assets value of the Target Group for the two years ended 31 December 2012 prepared in accordance with accounting principles generally accepted in the PRC are as follows:

Target Group	Profit (Loss) before taxation RMB'000	Profit (Loss) after taxation RMB'000	Net assets (liabilities) RMB'000
Yunnan Hidili	(16,055)	(12,066)	453,397
Fuyuan Dahe	52,183	39,337	726,214
Fuyuan Fude	45,606	34,116	7,146
Fuyuan Jintai	11,978	8,943	210,346
Fuyuan Maosheng	(3,568)	(2,692)	12,084
Fuyuan Kunyuan	(1,330)	(1,095)	557,915
Fuyuan Tonghe	14,487	10,250	328,428
Fuyuan Xiangda	18,808	13,809	127,816
Fuyuan Yuyuan	81	(354)	4,157
Yunnan Henglong	11,506	8,625	150,147
Yunnan Hidili Industry	4,220	3,165	48,786

Remarks: Fuyuan Jintong and Fuyuan Kuntie were held by Yunnan Hidili as associated companies and accordingly the results and the net assets value of Fuyuan Jintong and Fuyuan Kuntie have been incorporated in Yunnan Hidili.

Guizhou Weiqing was held by Yunnan Hidili as an investee company and stated as an long term investment and recorded at cost in the financial statements of Yunnan Hidili.

Hidili China

Hidili China is a limited liability company established in the PRC and is a wholly-owned subsidiary of the Company. Its principal activity is investment holding.

Panzhuhua Hidili

Panzhuhua Hidili is a limited liability company established in the PRC and is a wholly-owned subsidiary of the Company. Its principal activities are coal mining and investment holding.

Sichuan Hidili

Sichuan Hidili is a limited liability company established in the PRC and is a wholly-owned subsidiary of the Company. Its principal activities are coal mining and investment holding.

Yunnan Hidili or Target Company

Yunnan Hidili is a limited liability company established in the PRC and is a non wholly-owned subsidiary of the Company. Its principal activities are coal mining and investment holding.

Yunnan Dongyuan

Yunnan Dongyuan is a limited liability company established in the PRC. Yunnan Dongyuan is a state-owned enterprise and its principal activities are coal mining, coal washing and coking in Yunnan province. Yunnan Dongyuan is a subsidiary of 雲南煤化工集團有限公司 (Yunnan Coal Chemical Industry Group Co., Ltd.*).

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, Yunnan Dongyuan and its ultimate beneficial owners are third parties independent of the Company and its connected persons.

REASONS FOR AND BENEFITS OF THE DISPOSAL, THE EQUITY PLEDGE AND THE GUARANTEES

The Directors believe that the Disposal can strengthen the Group's cashflow and secure for the repayment of the short-term borrowings. The net proceeds to be received by the Group from the Disposal are intended to be partly used to buy back the Capital Injections of Huaneng Trust and partly used to repay short-term borrowings.

Besides, jointly operating coal mines in Yunnan province with Yunnan Dongyuan can help to stabilize the raw coal production volume and shorten or avoid from time spent on suspension of production for safety check arising from accident incurred in other coal mines within the region.

The Directors consider that the terms of the Disposal, which are determined after arm's length negotiation among the parties to the Agreement, are on normal commercial terms and are fair and reasonable and in the interests of the Company and its shareholders as a whole.

IMPLICATIONS UNDER THE LISTING RULES

The Disposal

As the applicable percentage ratios for the Disposal will exceed 75%, the Disposal constitutes a very substantial disposal of the Company under Chapter 14 of the Listing Rules and is therefore subject to Shareholders' approval at the EGM.

A circular containing, among other things, (i) further details of the Disposal; (ii) a Competent Person's Report in accordance with the requirements of Chapter 18 of the Listing Rules; (iii) a notice of the EGM; and (iii) other relevant information, will be despatched to the Shareholders on or before 31 July 2013 as the Company requires additional time to finalise the information to be included in the circular.

As Completion is subject to the fulfilment of certain conditions precedent and may or may not proceed, Shareholders and potential investors should exercise caution when dealing in the securities of the Company.

RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange has been suspended from 9:00 a.m. on 20 May 2013 pending the release of this announcement. An application has been made to the Stock Exchange for the resumption of trading in Shares with effect from 9:00 a.m. on 27 May 2013.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise:

“Agreement”	the conditional agreement dated 17 May 2013 entered into among Hidili China, Panzihua Hidili and Yunnan Dongyuan in relation to the Disposal
“Board”	the board of Directors
“Buy Back Consideration”	has the meaning given to it in the Announcement
“Capital Injections”	has the meaning given to it in the Announcement
“Company”	Hidili Industry International Development Limited 恒鼎實業國際發展有限公司, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Stock Exchange
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	director(s) of the Company
“Disposal”	the proposed disposal of 50% equity interest in the Target Company by Panzihua Hidili to Yunnan Dongyuan
“EGM”	an extraordinary general meeting of the Company to be held to approve the Disposal
“Equity Pledge”	the pledge of 99.31% equity interest in Sichuan Hidili created by Hidili China in favour of Yunnan Dongyuan on 17 May 2013

“Equity Transfer Agreements”	collectively, fourteen equity transfer agreements dated 22 and 23 May 2013 respectively entered into among the Immediate Shareholders and Huaneng Trust in respect of the buy back of the Target Equity Interest at the Buy Back Consideration
“Fuyuan Dahe”	富源縣大河青坪煤業有限公司 (Fuyuan County Dahe Qingping Coal Industry Co., Ltd.*), a company established in the PRC with limited liability and an indirect non wholly-owned subsidiary of the Company
“Fuyuan Fude”	富源縣富德選煤有限公司 (Fuyuan County Fude Coal Washing Co., Ltd*), a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company
“Fuyuan Jintai”	富源縣錦泰煤業有限公司 (Fuyuan County Jintai Coal Industry Co., Ltd.*), a company established in the PRC with limited liability and an indirect non wholly-owned subsidiary of the Company
“Fuyuan Jintong”	富源金通煤焦有限公司 (Fuyuan Jintong Coking Company Limited*), a company established in the PRC with limited liability and an associate company of the Company
“Fuyuan Kuntie”	富源昆鐵選煤有限責任公司 (Fuyuan Kuntie Coal Washing Company Limited*), a company established in the PRC with limited liability and an associate company of the Company
“Fuyuan Kunyuan”	富源縣坤源煤業有限公司 (Fuyuan County Kunyuan Coal Industry Co., Ltd.*), a company established in the PRC with limited liability and an indirect non wholly-owned subsidiary of the Company
“Fuyuan Maosheng”	富源縣茂盛選煤有限責任公司 (Fuyuan County Maosheng Coal Preparation Co., Ltd*), a company established in the PRC with limited liability and an indirect non wholly-owned subsidiary of the Company
“Fuyuan Tonghe”	富源縣通和煤業有限公司 (Fuyuan County Tonghe Coal Industry Co., Ltd.*), a company established in the PRC with limited liability and an indirect non wholly-owned subsidiary of the Company
“Fuyuan Xiangda”	富源縣祥達煤礦有限公司 (Fuyuan County Xiangda Coal Mine Co., Ltd.*), a company established in the PRC with limited liability and an indirect non wholly-owned subsidiary of the Company

“Fuyuan Yuyuan”	富源縣鈺源煤業有限責任公司 (Fuyuan Country Yuyuan Coal Washing Co., Ltd*), a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company
“Group”	the Company and its subsidiaries
“Group Reorganisation”	the proposed reorganisation of the Group involving the Target Group, details of which are set out in the section headed “Group Reorganisation” in this announcement
“Guarantees”	collectively, 13 guarantees dated 17 May 2013 given by each of Hidili China, Sichuan Hidili and the Target Group (other than Fuyuan Kuntie, Fuyuan Jintong and Guizhou Weiqing) to Yunnan Dongyuan, details of which are set out in the section headed “Guarantees” in this announcement
“Guizhou Weiqing”	貴州威管煤焦物流有限公司 (Guizhou Weiqing Coking Logistic Company Limited), a company established in the PRC with limited liability and an investee company of the Company
“Hidili China”	恒鼎實業 (中國) 集團有限公司 (Hidili Industry (China) Group Co., Ltd.*), a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Huaneng Trust”	華能貴誠信託有限公司 (Huaneng Guicheng Trust Co., Ltd.*), a company established in the PRC with limited liability
“Immediate Shareholders”	has the meaning given to it in the Announcement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Liupanshui Hidili”	六盤水恒鼎實業有限公司 (Liupanshui Hidili Industry Co., Limited*), a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company
“Panzhuhua Hidili”	攀枝花市恒鼎煤焦化有限公司 (Panzhuhua Hidili Coal Industry Co., Ltd.*), a company incorporated in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company

“Panzhuhua Yanjiang”	攀枝花市沿江實業有限責任公司 (Panzhuhua Yanjiang Industrial Co., Ltd.*), a company incorporated in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company
“PRC”	the People’s Republic of China which, for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Preference Investment Period”	has the meaning given to it in the Announcement
“Purchase Consideration”	RMB2.4 billion (equivalent to approximately HK\$3.0 billion) which shall be paid by Yunnan Dongyuan to Panzhuhua Hidili in respect for the Disposal
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	share(s) of HK\$0.10 each in the capital of the Company
“Share Transfer Agreements”	collectively, eight share transfer agreements dated 28 August 2012 entered into among the Target Subsidiaries, Panzhuhua Yanjiang, Hidili China and Huaneng Trust for the buy back of the Target Equity Interest
“Shareholder(s)”	holder(s) of the Share(s)
“Shenzhen Hidili”	深圳市恒信鼎立商貿有限公司 (Shenzhen City Hidili Commercial and Trading Co., Ltd*), a company incorporated in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company
“Sichuan Hidili”	四川恒鼎實業有限公司 (Sichuan Hidili Industry Co., Ltd*), a company incorporated in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Companies”	collectively, Fuyuan Dahe, Fuyuan Fude, Fuyuan Jintai, Fuyuan Jintong, Fuyuan Maosheng, Fuyuan Kuntie, Fuyuan Kunyuan, Fuyuan Tonghe, Fuyuan Xiangda, Fuyuan Yuyuan, Guizhou Weiqing, Yunnan Henglong and Yunnan Hidili Industry
“Target Company” or “Yunnan Hidili”	雲南恒鼎煤業有限公司 (Yunnan Hidili Coal Industry Co., Ltd*), a company incorporated in the PRC with limited liability and an indirect non wholly-owned subsidiary of the Company

“Target Equity Interest”	in relation to each of the Target Subsidiaries and Panzhihua Yanjiang, the equity interest to which Huaneng Trust is entitled upon the completion of the Capital Injections
“Target Subsidiaries”	collectively, Yunnan Hidili, Fuyuan Kunyuan, Fuyuan Xiangda, Yunnan Henglong, Fuyuan Dahe, Fuyuan Tonghe and Fuyuan Jintai
“Target Group”	collectively, the Target Company and the Target Companies
“Yunnan Dongyuan”	雲南東源煤業集團有限公司 (Yunnan Dongyuan Coal Group Company Limited*), a company incorporated in the PRC with limited liability
“Yunnan Henglong”	雲南恒隆煤業有限公司 (Yunnan Henglong Coal Industry Co., Ltd*), a company incorporated in the PRC with limited liability and an indirect non wholly-owned subsidiary of the Company
“Yunnan Hidili Industry”	雲南恒鼎實業有限公司 (Yunnan Hidili Industry Co., Ltd*), a company incorporated in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company
“%”	per cent.

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 24 May 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 Lemin and Mr. Huang Rongsheng.

For the purpose of this announcement, amounts in RMB have been translated into Hong Kong dollars at HK\$1.00 equal to RMB0.79855. No representation is made that any amount in RMB or Hong Kong dollars could have been or could be converted at the above rate or at any other rates or at all.

* For identification purpose only