

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult a stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Huili Resources (Group) Limited (the “**Company**”), you should at once hand this circular, together with the enclosed form of proxy to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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滙力集團
HUILI GROUP

Huili Resources (Group) Limited

滙力資源(集團)有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 1303)

**GENERAL MANDATES TO ISSUE NEW SHARES
AND TO BUY-BACK SHARES;
RE-ELECTION OF DIRECTORS;
AND
NOTICE OF ANNUAL GENERAL MEETING**

A notice convening the annual general meeting of the Company to be held at Room 2805, 28/F., Harbour Centre, 25 Harbour Road, Wanchai, Hong Kong at 11:30 a.m. on Friday, 29 May 2020 is set out on pages 13 to 17 of this circular.

A form of proxy for use at the annual general meeting is enclosed herewith. Whether or not you are able to attend the meeting in person, you are requested to complete the enclosed form of proxy in accordance with the instructions printed thereon and return it to the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible and in any event not later than 11:30 a.m. on Wednesday, 27 May 2020, or not less than 48 hours before the time appointed for holding the meeting or any adjourned meeting (if applicable). Completion and return of the form of proxy will not preclude you from attending and voting in person at the meeting or any adjournment thereof should you so wish.

24 April 2020

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DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions shall have the following meanings:

| | |
|----------------------------|--|
| “2019 AGM” | the annual general meeting of the Company held on 31 May 2019 |
| “AGM” | the annual general meeting of the Company to be held at Room 2805, 28/F, Harbour Centre, 25 Harbour Road, Wanchai, Hong Kong at 11:30 a.m. on Friday, 29 May 2020, notice of which is set out on pages 13 to 17 of this circular, or any adjournment thereof |
| “Articles of Association” | the articles of association of the Company as amended, supplemented or otherwise modified from time to time |
| “Board” | the board of Directors |
| “Buy-back Mandate” | the proposed general mandate to buy-back Shares to be granted to the Directors at the AGM |
| “close associate(s)” | has the meaning ascribed to it under the Listing Rules |
| “Companies Law” | the Companies Law, Cap. 22 (Law 3 of 1961) of the Cayman Islands as amended, supplemented or otherwise modified from time to time |
| “Company” | Huili Resources (Group) Limited, a company incorporated in Cayman Islands with limited liability and the Shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 1303) |
| “core connected person(s)” | has the meaning ascribed to it under the Listing Rules |
| “Director(s)” | the director(s) of the Company |
| “Group” | the Company and its subsidiaries |
| “HK\$” | Hong Kong Dollar, the lawful currency of Hong Kong |
| “Hong Kong” | the Hong Kong Special Administrative Region of the PRC |
| “Issue Mandate” | the proposed general mandate to issue Shares to be granted to the Directors at the AGM |

DEFINITIONS

| | |
|---------------------------|--|
| “Latest Practicable Date” | 16 April 2020, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained in this circular |
| “Listing Rules” | the Rules Governing the Listing of Securities on the Stock Exchange |
| “Notice” | the notice convening the AGM as set out on pages 13 to 17 of this circular |
| “PRC” or “China” | The People’s Republic of China |
| “SFO” | Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) |
| “Share(s)” | ordinary share(s) of HK\$0.10 each in the share capital of the Company |
| “Shareholder(s)” | holder(s) of Share(s) |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “Takeovers Code” | The Code on Takeovers and Mergers and Share Buy-backs |
| “%” | per cent |



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Huili Resources (Group) Limited

滙力資源(集團)有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 1303)

Executive Directors:

Ms. Wang Qian
Mr. Zhou Jianzhong

Non-Executive Director:

Mr. Cao Ye

Independent Non-Executive Directors:

Ms. Xiang Siying
Ms. Huang Mei
Mr. Chan Ping Kuen

*Registered office and principal
place of business in Hong Kong:*

Room 2805, 28/F.,
Harbour Centre,
25 Harbour Road, Wanchai,
Hong Kong

24 April 2020

To the Shareholders

Dear Sir or Madam,

**GENERAL MANDATES TO ISSUE NEW SHARES
AND TO BUY-BACK SHARES;
RE-ELECTION OF DIRECTORS;
AND
NOTICE OF ANNUAL GENERAL MEETING**

INTRODUCTION

The purpose of this circular is to give you the Notice and to provide you with information regarding the ordinary resolutions to be proposed at the AGM relating to (i) the granting to the Directors of the Issue Mandate and the Buy-back Mandate; (ii) the re-election of Directors; and (iii) the re-appointment of Messrs. BDO Limited as auditors of the Company.

LETTER FROM THE BOARD

GENERAL MANDATES TO ISSUE NEW SHARES AND TO BUY-BACK SHARES

The Company's existing general mandates to issue and buy-back Shares were approved by the Shareholders at the 2019 AGM. From the 2019 AGM to the Latest Practicable Date, no existing general mandates were utilised. The existing general mandates which have not been utilised will lapse at the conclusion of the AGM.

Accordingly, ordinary resolutions will be proposed at the AGM to grant to the Directors general mandates authorising them, inter alia, (a) to exercise the power of the Company to allot, issue and deal with new Shares not exceeding 20% of the issued Shares as at the date of the passing of such resolution; (b) to buy-back Shares not exceeding 10% of the issued Shares as at the date of the passing of such resolution; and (c) subject to the passing of the proposed ordinary resolutions to approve the Issue Mandate and the Buy-back Mandate at the AGM, to extend the Issue Mandate by the number of Shares bought back under the Buy-back Mandate.

The Issue Mandate and the Buy-back Mandate shall remain in effect until the conclusion of the next annual general meeting of the Company, or the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association or any applicable laws of the Cayman Islands to be held, or until revoked, renewed or varied by an ordinary resolution of the shareholders in general meeting, whichever occurs first.

As at the Latest Practicable Date, there were 1,620,000,000 Shares in issue. Subject to the passing of the ordinary resolutions to approve the Issue Mandate and the Buy-back Mandate at the AGM and on the basis that no further Shares will be issued or buy-back between the Latest Practicable Date and the date of the AGM, the Company would be allowed to issue up to a maximum of 324,000,000 Shares under the Issue Mandate (assuming the Buy-back Mandate has not been utilised) and to buy-back up to a maximum of 162,000,000 Shares under the Buy-back Mandate.

The Directors have no present intention to exercise the Issue Mandate to issue and allot Shares and to exercise the Buy-back Mandate to buy-back Shares.

An explanatory statement providing all the information required under the Listing Rules regarding the Buy-back Mandate is set out in Appendix I to this circular.

RE-ELECTION OF DIRECTORS

Pursuant to article 83(3) the Articles of Association, a Director appointed by the Board to fill a casual vacancy on the Board shall hold office until the first general meeting after his appointment and be subject to re-election at such meeting. Pursuant to article 84(1) of the Articles of Association, at each annual general meeting, one third of the Directors for the time being (or if their number is not a multiple of three the number nearest to but not less than one third) shall retire from office by rotation, provided that every Directors shall be subject to retirement at an annual general meeting at least once every three years. In accordance with the above provisions, Ms. Wang Qian, Mr. Cao Ye and Ms. Huang Mei will retire from office and, being eligible, offer themselves for re-election at the AGM.

LETTER FROM THE BOARD

The nomination committee of the Company (the “Nomination Committee”) has reviewed the structure and composition of the Board, the confirmations and disclosures given by the Directors, the qualifications, skills and experience, time commitment and contribution of the retiring Directors with reference to the nomination principles and criteria set out in the Company’s board diversity policy and the Company’s corporate strategy and the independence of all independent non-executive Directors.

Ms. Huang Mei, the retiring independent non-executive Director, has confirmed her independence with reference to the factors set out in Rule 3.13 of the Listing Rules. The Board noted that Ms. Huang does not have any relationship with any Directors, chief executive and senior management of the Company, substantial Shareholders or controlling Shareholders. The Nomination Committee and the Board are not aware of any circumstance that might influence Ms. Huang in exercising independent judgment, and are satisfied that she has the required character, integrity, independence and experience to fulfil the role of independent non-executive director. On this basis, the Nomination Committee and the Board considered that Ms. Huang Mei is independent in accordance with the independence guidelines set out in the Listing Rules.

Ms. Huang Mei has ample experience in the accounting, auditing and corporate management. She obtained a bachelor’s degree in Management and a master degree in Accountancy from Tsinghua University. She is a member of the Chinese Institute of Certified Public Accountants. The Company expects that Ms. Huang will continue to bring to the Board her valuable business and industry experience. and will also contribute to diversity of the Board in terms of its members having the experience in financing and corporate management.

The Nomination Committee and the Board therefore recommended the re-election of all the retiring Directors at the AGM.

Brief biographical and other details of the retiring Directors offering themselves for re-election at the AGM, which are required to be disclosed under the Listing Rules, are set out in Appendix II to this circular.

ANNUAL GENERAL MEETING

The Notice is set out on pages 13 to 17 of this circular at which resolutions will be proposed, inter alia, to re-elect Directors, to re-appoint auditors and to approve the grant of the Issue Mandate and the Buy-back Mandate.

A form of proxy for use at the AGM is enclosed herewith. Whether or not you propose to attend the AGM, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return it to the Company’s branch share registrar in Hong Kong, Tricor Investor Services Limited at Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong as soon as possible and in any event not later than 11:30 a.m. on Wednesday, 27 May 2020, or not less than 48 hours before the time fixed for holding any adjourned meeting (if applicable). Completion and return of the form of proxy will not prevent you from attending and voting at the AGM or any adjourned meeting thereof (as the case may be) should you wish to do so, and in such case, the form of proxy previously submitted shall be deemed to be revoked.

LETTER FROM THE BOARD

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of Shareholders at a general meeting must be taken by poll (except where the resolution relates purely to a procedural or administrative matter which may be voted on by a show of hands) and accordingly, all resolutions proposed at the AGM will be taken by poll. To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, none of the Shareholders is required to abstain from voting on the ordinary resolutions to be proposed at the AGM pursuant to the Listing Rules and/or the Articles of Association.

RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

RECOMMENDATION

The Directors consider that the proposals referred to in this circular are all in the best interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of all the relevant ordinary resolutions to be proposed at the AGM.

OTHER INFORMATION

Your attention is also drawn to the information as set out in the appendices to this circular.

Yours faithfully,
By order of the Board of
HUILI RESOURCES (GROUP) LIMITED
Xiang Siying
Chairlady

This appendix serves as an explanatory statement, as required by the Listing Rules, to provide the requisite information to you for your consideration of the Buy-back Mandate.

1. LISTING RULES RELATING TO THE BUY-BACK OF SHARES

The Listing Rules permit companies whose primary listings are on the Stock Exchange to buy-back their securities on the Stock Exchange and any other stock exchange on which securities of the company are listed and such exchange is recognised by the Securities and Futures Commission of Hong Kong subject to certain restrictions. Among such restrictions, the Listing Rules provide that the shares of such company must be fully paid up and all buy-back of shares by such company must be approved in advance by an ordinary resolution of shareholders, either by way of a general mandate or by specific approval of a particular transaction.

2. SHARE CAPITAL

As at the Latest Practicable Date, the issued share capital of the Company comprised 1,620,000,000 fully paid up Shares of HK\$0.10 each. Subject to the passing of the ordinary resolution to approve the Buy-back Mandate at the AGM and on the basis that no further Shares will be issued or buy-back between the Latest Practicable Date and the date of the AGM, the Company would be allowed under the Buy-back Mandate to buy-back up to a maximum of 162,000,000 fully paid up Shares, representing 10% of the issued share capital of the Company as at the Latest Practicable Date.

3. REASONS FOR BUY-BACK

The Directors believe that the Buy-back Mandate is in the best interests of the Company and the Shareholders. Such buy-back may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the value of the net assets and/or earnings per Share and will only be made when the Directors believe that such buy-back will benefit the Company and the Shareholders as a whole.

4. FUNDING OF BUY-BACK

Buy-back by the Company must be funded out of funds legally available for the purpose in accordance with the Articles of Association and the applicable laws and regulations of the Cayman Islands. A listed company may not buy-back its own securities on the Stock Exchange for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange. Subject to the foregoing, any buy-back by the Company may be made out of funds which would otherwise be available for dividend or distribution, or out of the Company's share premium account or out of an issue of new shares made for the purpose of the repurchase or, if authorised by the Articles of Association and subject to the Companies Law, out of capital.

On the basis of the financial position as at 31 December 2019 (being the date of the Company's latest audited accounts) and taking into account the current working capital position, the Directors consider that, if the Buy-back Mandate were to be exercised in full, it might have a material adverse effect on the working capital and/or the gearing position of the

Company. However, the Directors do not propose to exercise the Buy-back Mandate to such an extent as would, in the circumstances, have a material adverse effect on the working capital requirements or the gearing levels of the Company which in the opinion of the Directors are from time to time appropriate for the Company.

5. DISCLOSURE OF INTEREST

None of the Directors, nor, to the best of their knowledge having made all reasonable enquiries, any of their respective close associates nor any directors of such associates, have any present intention to sell any Shares to the Company under the Buy-back Mandate if it is approved by the Shareholders.

No core connected person of the Company has notified the Company that he/she/it has a present intention to sell any Shares to the Company, or has undertaken not to do so, in the event that the Buy-back Mandate is approved by the Shareholders.

6. UNDERTAKING OF THE DIRECTORS

The Directors have undertaken to the Stock Exchange that if they shall exercise the power of the Company to make buy-back pursuant to the Buy-back Mandate, they will exercise the same in accordance with the Listing Rules and the applicable laws and regulations of the Cayman Islands.

7. SHARE PRICES

The highest and lowest prices at which the Shares were traded on the Stock Exchange during each of the twelve months preceding the Latest Practicable Date were as follows:

| | Highest <i>HK\$</i> | Lowest <i>HK\$</i> |
|---|-------------------------------|------------------------------|
| 2019 | | |
| April | 0.610 | 0.325 |
| May | 0.520 | 0.360 |
| June | 0.570 | 0.430 |
| July | 0.430 | 0.350 |
| August | 0.440 | 0.430 |
| September | 0.460 | 0.340 |
| October | 0.450 | 0.310 |
| November | 0.420 | 0.330 |
| December | 0.400 | 0.300 |
| 2020 | | |
| January | 0.385 | 0.310 |
| February | 0.340 | 0.340 |
| March | 0.340 | 0.255 |
| April (up to the Latest Practicable Date) | 0.260 | 0.270 |

8. SHARE BUY-BACK MADE BY THE COMPANY

There have been no buy-back by the Company, or any of its subsidiaries, of any Shares in the six months immediately preceding the Latest Practicable Date (whether on the Stock Exchange or otherwise).

9. THE TAKEOVERS CODE AND MINIMUM PUBLIC FLOAT

If a Shareholder's proportionate increases as a result of the Directors exercising the powers of the Company to buy-back Shares pursuant to the Buy-back Mandate, such increase will be treated as an acquisition of voting rights for the purpose of the Takeovers Code.

As at the Latest Practicable Date, to the best information, belief and knowledge of the Directors, (1) Mr. Guo Jianzhong together with Sky Circle International Limited (which was wholly owned by Mr. Guo Jianzhong as at the Latest Practicable Date) (collectively "**Guo & Sky Circle**"), were interested in 454,958,702 Shares (approximately 28.08% of the issued share capital of the Company); (2) Affinitiv Mobile Ventures Ltd ("**Affinitiv Mobile**"), which was indirectly owned by China Huarong Asset Management Co., Ltd. as at the Latest Practicable Date, was interested in 320,000,000 Shares (approximately 19.75% of the issued share capital of the Company); and (3) Legend Vantage Limited ("**Legend Vantage**"), which was owned by Mr. Li Guangrong and Ms. Gao Miaomiao as at the Latest Practicable Date, was interested in 188,638,883 Shares (approximately 11.64% of the issued share capital of the Company). Save as aforesaid, no other Shareholder held more than 10% of the issued share capital of the Company as at the Latest Practicable Date. In the event that the Buy-back Mandate is exercised in full, the shareholdings of Guo & Sky Circle, Affinitiv Mobile and Legend Vantage would increase to approximately 31.20%, 21.95% and 12.94% of the issued share capital of the Company respectively. Accordingly, on the basis that no further Shares are issued or buy-back and there is no change in shareholding structure, an exercise of the Buy-back Mandate in full would give rise to an obligation on Guo & Sky Circle to make a mandatory general offer under the Takeovers Code. However, the Directors have no present intention to exercise the Buy-back Mandate which would render any Shareholder or group of Shareholders obliged to make a mandatory general offer under the Takeovers Code.

The Directors are also aware that the Listing Rules prohibit a company from making buy-back on the Stock Exchange if the result of the buy-back would be that less than 25% (or such other prescribed minimum percentage as determined by the Stock Exchange) of the issued share capital would be in the hands of the public. The Directors have no present intention to exercise the Buy-back Mandate to such an extent that would result in the Company failing to comply with the public float requirements under Rule 8.08 of the Listing Rules.

The biographical details of the Directors proposed to be re-elected at the AGM are set out as follows:

EXECUTIVE DIRECTORS

Ms. Wang Qian (王茜)

Ms. Wang Qian, aged 44, is an executive Director. She joined the Group in January 2016. She has over 15 years of experience in finance, investment and management area. From October 2001 to June 2002, Ms. Wang was employed by PricewaterhouseCoopers Consulting, a company principally engaged in the provision of management consulting services, where she served as a consultant and was primarily responsible for enterprise strategy and financial management consultation. Ms. Wang successively acted as a senior manager of the finance strategy & business development department at the US headquarters of Goodyear Tire & Rubber Company and the Asia-Pacific region Finance Director of Goodyear Engineered Products Company from July 2004 to March 2009, Goodyear's principal business is manufacturing tires and rubber products, where she was primarily in charge of mergers and acquisitions, and annual operation planning, as well as organizing and supervising the financial activities for Asia Pacific region. After Goodyear Engineered Products Company was acquired by The Carlyle Group, Ms. Wang had led several acquisitions and restructuring projects. Since March 2009, Ms. Wang has served as the president of HIXIH Investment, a company principally engaged in the business of equity and securities investment, and Ms. Wang is primarily responsible for company management and investment business. She has accomplished and participated in several initial public offering projects in New York Stock Exchange, the Stock Exchange and Shanghai Stock Exchange for companies in finance, energy and resources, culture industries. Ms. Wang received a certificate of Certified Public Accountant granted by the Accountancy Board in the USA in October 2005. Ms. Wang received her bachelor's degree of economics from the Central University of Finance and Economics in July 1998 and her Master of Business Administration degree from the Carnegie Mellon University in the USA in May 2004. Ms. Wang was appointed as an executive Director on 26 January 2016.

Saved as aforesaid, as at the Latest Practicable Date, Ms. Wang did not hold positions with the Company and other members of the Group and did not have any relationship with any directors, senior management or substantial or controlling Shareholders of the Company or its subsidiaries or any of their respective associates. She did not have, and was not deemed to have any interests or short positions in any Shares, underlying shares or debentures of the Company or any of its associated corporations which is required to be disclosed under Part XV of the SFO and did not hold any directorship in other public companies the securities of which are listed on any securities market in Hong Kong or overseas in the past three years.

There is no service contract between the Company and Ms. Wang and Ms. Wang is subject to retirement by rotation and re-election in accordance with the Articles of Association. Her Director's remuneration will be determined by the Board with reference to her role, level of experience and contributions to the Group.

Save as disclosed, there is no other information that needs to be disclosed pursuant to any of the requirements as set out in Rules 13.51(2)(h) to (v) of the Listing Rules and any other matters that need to be brought to the attention of the Shareholders and the Stock Exchange in relation to the re-election of Ms. Wang.

NON-EXECUTIVE DIRECTOR

Mr. Cao Ye

Mr. Cao Ye, aged 24, obtained a bachelor's degree in investment from the School of Banking and Finance, University of International Business and Economics (對外經濟貿易大學金融學院). He has extensive experience in investment and coal trading business. Since March 2015, he has held the position of the partner of 北京正略才誠資產管理有限公司 (Beijing Adfaith Xincheng Capital Co, Ltd.*) responsible for managing the fund in acquisition, management and disposal of non-performing assets. Starting from November 2015, he has served as the assistant general manager of 山西昌盛鑫隆供應鏈管理服務有限公司 (Shanxi Changsheng Xinlong Supply Chain Service Co., Ltd.*), which is a coal trading company, to assist the general manager in developing business strategy and is in charge of the sales and marketing department of the company. Since November 2018, Mr. Cao has joined 博通能源銷售(寧波)有限公司 (Botong Energy Trading (Ningbo) Co., Ltd.*), which engages in coal trading business, as general manager and is mainly responsible for formulating the strategy of the company's business, overseeing the finance function of the company, and monitoring and coordinating the business development of the company's coal trading business. Mr. Cao was appointed as a non-executive Director on 14 June 2019.

Save as aforesaid, as at the Latest Practicable Date, Mr. Cao did not hold positions with the Company and other members of the Group and did not have any relationship with any directors, senior management or substantial or controlling Shareholders of the Company or its subsidiaries or any of their respective associates. He did not have, and was not deemed to have any interests or short positions in any Shares, underlying shares or debentures of the Company or any of its associated corporations which is required to be disclosed under Part XV of the SFO and did not hold any directorship in other public companies the securities of which are listed on any securities market in Hong Kong or overseas in the past three years.

Mr. Cao has entered into a service contract with the Company for a term of three years, and is subject to retirement by rotation and is eligible for re-election at the general meetings of the Company in accordance with the Articles of Association. Mr. Cao's remuneration is HK\$360,000 per annum. The emolument was determined by the Board with reference to his experience, duties and responsibilities in the Company as well as the current market rate.

Save as disclosed, there is no other information that needs to be disclosed pursuant to any of the requirements as set out in Rules 13.51(2)(h) to (v) of the Listing Rules and any other matters that need to be brought to the attention of the Shareholders and Stock Exchange in relation to the re-election of Mr. Cao.

* For identification purposes only

INDEPENDENT NON-EXECUTIVE DIRECTOR**Ms. Huang Mei (黃梅)**

Ms. Huang Mei, aged 40, obtained a bachelor's degree in Management and a master degree in Accountancy from Tsinghua University. She is a member of the Chinese Institute of Certified Public Accountants. Ms. Huang has over 15 years' experience in accounting, auditing and corporate management. She has worked in PricewaterhouseCoopers Zhong Tian LLP, an international accounting firm, from August 2003 to July 2015. She has also been the financial controller of Alibaba Pictures Group Limited (a company listed on the Stock Exchange with stock code: 1060) from July 2015 to July 2018. Currently she is the chief financial officer of a startup company. Ms. Huang was appointed as an independent non-executive Director on 19 October 2018.

Save as aforesaid, as at the Latest Practicable Date, Ms. Huang did not hold positions with the Company and other members of the Group and did not have any relationship with any directors, senior management or substantial or controlling Shareholders of the Company or its subsidiaries or any of their respective associates. She did not have, and was not deemed to have any interests or short positions in any Shares, underlying shares or debentures of the Company or any of its associated corporations which is required to be disclosed under Part XV of the SFO and did not hold any directorship in other public companies the securities of which are listed on any securities market in Hong Kong or overseas in the past three years.

There is no service contract between the Company and Ms. Huang and Ms. Huang is subject to retirement by rotation and re-election in accordance with the Articles of Association. Ms. Huang's remuneration is HK\$120,000 per annum. The emolument was determined by the Board with reference to her experience, duties and responsibilities in the Company as well as the current market rate.

Ms. Huang has confirmed that she meets the independence criteria as set out in Rule 3.13 of the Listing Rules. Save as disclosed, there is no other information that needs to be disclosed pursuant to any of the requirements as set out in Rules 13.51(2)(h) to (v) of the Listing Rules and any other matters that need to be brought to the attention of the Shareholders and Stock Exchange in relation to the re-election of Ms. Huang.



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Huili Resources (Group) Limited

滙力資源(集團)有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 1303)

NOTICE IS HEREBY GIVEN that the annual general meeting of Huili Resources (Group) Limited (the “**Company**”) will be held at 11:30 a.m. on Friday, 29 May 2020 at Room 2805, 28/F., Harbour Centre, 25 Harbour Road, Wanchai, Hong Kong for the following purposes:

ORDINARY RESOLUTIONS

1. To receive, consider and approve the audited consolidated financial statements, the directors’ report and the auditors’ report for the year ended 31 December 2019.
2. (A) To re-elect Ms. Wang Qian as an executive director of the Company;
(B) To re-elect Mr. Cao Ye as a non-executive director of the Company;
(C) To re-elect Ms. Huang Mei as an independent non-executive director of the Company; and
(D) To authorise the board of directors to fix the remuneration of the directors of the Company.
3. To appoint Messrs. BDO Limited as the auditors of the Company and to authorise the board of directors of the Company to fix their remuneration.
4. As special business, to consider and, if thought fit, pass with or without amendments, the following resolutions as ordinary resolutions of the Company:
 - (A) “**THAT:**
 - (a) subject to sub-paragraph (c) below, the exercise by the directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to issue, allot and deal with additional shares of the Company and to make or grant offers, agreements and options, including warrants, bonds, notes and debentures convertible into shares of the Company which would or might require the exercise of such powers, subject to and in accordance with all applicable laws, the memorandum

NOTICE OF ANNUAL GENERAL MEETING

and articles of association of the Company and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”), be and is hereby generally and unconditionally approved;

- (b) the approval in sub-paragraph (a) above shall be in addition to any authorisation given to the directors of the Company and shall authorise the directors of the Company during the Relevant Period to make or grant offers, agreements and options (including warrants, bonds, notes and debentures convertible into shares of the Company) which would or might require the exercise of such powers after the end of the Relevant Period;
- (c) the total number of shares of the Company allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) and issued by the directors of the Company pursuant to the approval in sub-paragraph (a) above, otherwise than (i) pursuant to a Rights Issue (as hereinafter defined); or (ii) any issue of shares of the Company on the exercise of rights of subscription or conversion under the terms of any warrants or similar rights issued by the Company or any bonds, notes, debentures and securities which are convertible into shares of the Company; or (iii) an issue of shares of the Company under any share option scheme or similar arrangement providing for the grant to employees (including directors) of the Company and/or any of its subsidiaries of the rights to subscribe for shares of the Company; or (iv) an issue of shares of the Company in lieu of the whole or part of a dividend on share in accordance with the articles of association of the Company, shall not exceed 20 per cent of the total number of shares of the Company in issue as at the date of the passing of this resolution, and the said approval shall be limited accordingly; and
- (d) for the purposes of this resolution:

“**Relevant Period**” means the period from the date of the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any applicable laws of the Cayman Islands to be held; or
- (iii) the revocation or variation of the authority given under this resolution by an ordinary resolution of the shareholders of the Company in general meeting.

NOTICE OF ANNUAL GENERAL MEETING

“**Rights Issue**” means an offer of shares of the Company open for a period fixed by the directors of the Company to the holders of shares of the Company whose names appear on the register of members of the Company on a fixed record date in proportion to their then holdings of such shares as at that date (subject to such exclusions or other arrangements as the directors of the Company may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the law of, or the requirements of any recognized regulatory body or any stock exchange in, any territory outside Hong Kong).”

(B) “**THAT:**

- (a) subject to sub-paragraph (b) below, the exercise by the directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to buy-back shares of the Company on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) or on any other stock exchange on which the shares of the Company may be listed and recognised by the Securities and Futures Commission and the Stock Exchange for this purpose, subject to and in accordance with all applicable laws and the requirements of the Listing Rules or any other stock exchange as amended from time to time, be and is hereby generally and unconditionally approved;
- (b) the approval in sub-paragraph (a) of this resolution shall be in addition to any other authorisation given to the directors of the Company and shall authorise the directors of the Company on behalf of the Company during the Relevant Period to procure the Company to purchase its securities at a price determined by the directors of the Company;
- (c) the total number of shares of the Company to be bought back by the Company pursuant to the approval in sub-paragraphs (a) and (b) above shall not exceed 10 per cent of the total number of issued shares of the Company as at the date of passing this resolution, and the said approval shall be limited accordingly; and
- (d) for the purposes of this resolution:

“**Relevant Period**” means the period from the date of the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any applicable laws of the Cayman Islands to be held; or

NOTICE OF ANNUAL GENERAL MEETING

(iii) the revocation or variation of the authority given under this resolution by an ordinary resolution of the shareholders of the Company in general meeting.”

(C) “**THAT**, conditional upon resolutions numbered 4(A) and 4(B) as set out in the notice convening this meeting being passed, the total number of shares of the Company which are bought back by the Company under the authority granted to the directors of the Company pursuant to and in accordance with the said resolution numbered 4(B) above shall be added to the total number of shares that may be allotted, issued or dealt with or agreed conditionally or unconditionally to be allotted, issued and dealt with by the directors of the Company pursuant to and in accordance with the resolution numbered 4(A) as set out in the notice convening this meeting.”

By order of the Board of
HUILI RESOURCES (GROUP) LIMITED
Xiang Siying
Chairlady

Hong Kong, 24 April 2020

Registered Office and Principal Place of Business in Hong Kong:

Room 2805, 28/F.,
Harbour Centre,
25 Harbour Road, Wanchai,
Hong Kong

Notes:

- (1) The register of members of the Company (the “**Register of Members**”) will be closed from Tuesday, 26 May 2020 to Friday, 29 May 2020, both days inclusive, during which period no transfer of the shares of the Company can be registered. Shareholders are reminded to ensure that all completed share transfer forms accompanied by the relevant share certificates must be lodged with the Company’s branch share registrar in Hong Kong, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong not later than 4:30 p.m. on Monday, 25 May 2020.
- (2) A shareholder entitled to attend and vote at the meeting may appoint one or more than one proxy to attend and to vote instead of him. A proxy need not be a shareholder of the Company.
- (3) In the case of joint holders of any share, any one of such persons may vote at the said meeting, either personally or by proxy, in respect of such share as if he was solely entitled thereto, but if more than one of such joint holders is present at the said meeting, personally or by proxy, that one of the said persons so present whose name stands first on the Register of Members in respect of such share shall alone be entitled to vote in respect thereof.
- (4) In order to be valid, the form of proxy together with the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of that power or authority, must be deposited at the Company’s branch share registrar in Hong Kong, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong not later than 11:30 a.m. on Wednesday, 27 May 2020, or not less than 48 hours before the time appointed for holding any adjourned meeting (if applicable). Completion and return of the form or proxy will not preclude shareholders from attending and voting in person at the meeting or any adjournment thereof should they so wish, and in such case, the form of proxy previously submitted shall be deemed to be revoked.

NOTICE OF ANNUAL GENERAL MEETING

If tropical cyclone warning signal no. 8 or above is hoisted or “extreme conditions” caused by super typhoons or a black rainstorm warning signal is in force at 7:00 a.m. on Friday, 29 May 2020, the meeting will be postponed and further announcement for details of alternative meeting arrangements will be made. The meeting will be held as scheduled even when tropical cyclone warning signal no. 3 or below is hoisted, or an amber or red rainstorm warning signal is in force. You should make your own decision as to whether you would attend the meeting under bad weather conditions and if you should choose to do so, you are advised to exercise care and caution.

PRECAUTIONARY MEASURES FOR THE ANNUAL GENERAL MEETING

The health of our shareholders, staff and stakeholders is of paramount importance to us. In view of the ongoing Novel Coronavirus (COVID-19) pandemic, the Company will implement the following precautionary measures at the Annual General Meeting to protect attending shareholders, staff and stakeholders from the risk of infection:

- (i) Compulsory body temperature checks will be conducted for every shareholder, proxy or other attendee at each entrance of the meeting venue. Any person with a body temperature of over 37.4 degrees Celsius may be denied entry into the meeting venue or be required to leave the meeting venue.
- (ii) The Company encourages each attendee to wear a surgical face mask throughout the meeting and inside the meeting venue, and to maintain a safe distance between seats.
- (iii) No refreshment will be served, and there will be no corporate gift.

In addition, the Company reminds all shareholders that physical attendance in person at the meeting is not necessary for the purpose of exercising voting rights. Shareholders may appoint the chairman of the meeting as their proxy to vote on the relevant resolution(s) at the meeting instead of attending the meeting in person, by completing and return the proxy form attached to this document.

If any shareholder chooses not to attend the meeting in person but has any question about any resolution or about the Company, or has any matter for communication with the board of directors of the Company, he/she is welcome to send such question or matter in writing to our registered office or to our email at enquiry@huili.hk. If any shareholder has any question relating to the meeting, please contact Tricor Investor Services Limited, the Company’s branch share registrar in Hong Kong as follows:

Tricor Investor Services Limited

Level 54, Hopewell Centre 183 Queen’s Road East, Hong Kong

Email: is-enquiries@hk.tricorglobal.com

Tel: (852) 2980 1333

Fax: (852) 2810 8185