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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)**

**DISCLOSEABLE TRANSACTION  
IN RELATION TO THE ACQUISITION OF THE ENTIRE ISSUED  
SHARE CAPITAL OF THE TARGET COMPANY  
INVOLVING THE ISSUE OF CONSIDERATION SHARES  
UNDER GENERAL MANDATE**

**THE SALE AND PURCHASE AGREEMENT**

The Board is pleased to announce that on 29 December 2023 (after trading hours), the Purchaser (a direct wholly-owned subsidiary of the Company) entered into the Sale and Purchase Agreement with the Vendor in respect of the Acquisition. Pursuant to the Sale and Purchase Agreement, the Purchaser has agreed to acquire, and the Vendor has agreed to sell the Sale Share, representing the entire issued share capital of the Target Company, at a Consideration of HK\$100,000,000. The Consideration shall be satisfied by the Company upon Completion (i) as to HK\$62,640,000 by the allotment and issue of 156,600,000 Consideration Shares to the Vendor at the Issue Price of HK\$0.40 per Consideration Share; and (ii) the balance of HK\$37,360,000 by the issue of the Promissory Note in the principal amount of HK\$37,360,000 to the Vendor (or its designated entity).

The Consideration Shares represent (i) approximately 8.76% of the existing issued share capital of the Company as at the date of this announcement; and (ii) approximately 8.10% of the issued share capital of the Company as enlarged by the allotment and issue of the Consideration Shares (assuming there will be no change in the share capital of the Company prior to the Completion).

The Consideration Shares will be allotted and issued under the General Mandate and are not subject to the approval of the Shareholders. An application will be made by the Company to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Consideration Shares. The Consideration Shares, when allotted and issued, shall rank *pari passu* with the Shares in issue.

Upon Completion, the Group will be interested in the entire issued share capital of the Target Company and the Target Company will become an indirect wholly-owned subsidiary of the Company. As at the date of this announcement, Yiyilan is wholly-owned by the Target Company and Desheng is wholly-owned by Yiyilan. As such, the financial information of the Target Group will be consolidated into the financial statements of the Group.

### **LISTING RULES IMPLICATIONS**

As the highest applicable percentage ratio (as defined in the Listing Rules) in respect of the Acquisition is more than 5% but less than 25%, the Acquisition constitutes a disclosable transaction on the part of the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

**Shareholders and potential investors of the Company should note that Completion is subject to the fulfillment or waiver (as the case may be) of the relevant conditions, therefore the Acquisition may or may not proceed. Accordingly, the Acquisition may or may not materialise and Shareholders and potential investors of the Company are reminded to exercise caution when dealing in the Shares.**

### **INTRODUCTION**

The Board is pleased to announce that on 29 December 2023 (after trading hours), the Purchaser (a direct wholly-owned subsidiary of the Company) entered into the Sale and Purchase Agreement with the Vendor in respect of the Acquisition. Pursuant to the Sale and Purchase Agreement, the Purchaser has agreed to acquire, and the Vendor has agreed to sell the Sale Share, representing the entire issued share capital of the Target Company, at a Consideration of HK\$100,000,000.

## **THE SALE AND PURCHASE AGREEMENT**

The principal terms of the Sale and Purchase Agreement are set out below:

Date : 29 December 2023 (after trading hours of the Stock Exchange)

Parties : (i) The Vendor; and

(ii) The Purchaser

### **Assets to be acquired**

Pursuant to the Sale and Purchase Agreement, the Purchaser agreed to acquire, and the Vendor agreed to sell the Sale Share, representing the entire issued share capital of the Target Company. The Vendor shall also transfer the Vendor's Loan to the Purchaser (or its designated entity) at the nominal consideration of RMB1 (equivalent to approximately HK\$1.10) at Completion.

### **Consideration**

The Consideration of the Acquisition, being HK\$100,000,000, shall be satisfied by the Company in the following manner upon Completion:

- (i) as to HK\$62,640,000 by the allotment and issue of 156,600,000 Consideration Shares to the Vendor (or its designated entity) at the Issue Price of HK\$0.40 per Consideration Share; and
- (ii) the balance of HK\$37,360,000 by the issue of the Promissory Note in the principal amount of HK\$37,360,000 to the Vendor (or its designated entity).

The Consideration was determined based on arm's length negotiations between the Purchaser and the Vendor with reference to, among others, the preliminary valuation of the Target Group based on the financial position as at 30 November 2023 (without taking into account of the Vendor's Loan to be transferred to the Purchaser (or its designated entity) at the nominal consideration of RMB1 (equivalent to approximately HK\$1.10) at Completion) of approximately RMB98,900,000 (equivalent to approximately HK\$108,790,000) conducted by an independent third party valuer using an asset-based approach.

## **The Consideration Shares**

### ***Issue Price***

The Consideration Shares will be issued at the Issue Price of HK\$0.40 per Share, which represents:

- (i) a premium of approximately 37.93% over the closing price of HK\$0.290 per Share as quoted on the Stock Exchange as at the date of the Sale and Purchase Agreement;
- (ii) a premium of approximately 31.15% over the average closing price of approximately HK\$0.305 per Share as quoted on the Stock Exchange for the five consecutive trading days of the Shares immediately prior to the date of the Sale and Purchase Agreement;
- (iii) a discount of 17.5% to the 52-week high of HK\$0.47 per Share over the last 12 months prior to the date of the Sale and Purchase Agreement; and
- (iv) a discount of approximately 0.5% to the unaudited consolidated net assets value attributable to equity holders of the Company per Share of approximately RMB0.3662 (equivalent to approximately HK\$0.4028) based on a total of 1,787,388,000 Shares in issue and the unaudited consolidated net assets attributable to equity holders of the Company of approximately RMB654,590,000 million as of 30 June 2023.

### ***Number of Consideration Shares***

The Consideration Shares represent (i) approximately 8.76% of the existing issued share capital of the Company as at the date of this announcement; and (ii) approximately 8.10% of the issued share capital of the Company as enlarged by the allotment and issue of the Consideration Shares (assuming there will be no change in the share capital of the Company prior to the Completion).

### ***Ranking***

The Consideration Shares, when allotted and issued, will rank *pari passu* in all respects with the Shares in issue.

### ***General Mandate to issue the Consideration Shares***

The Consideration Shares will be allotted and issued pursuant to the General Mandate. Under the General Mandate, the Directors are allowed to allot and issue up to 20% of the total number of the issued Shares. The maximum number of Shares that can be issued under the General Mandate is 324,000,000 Shares. As at the date of this announcement, the Company has not allotted and issued any Shares pursuant to the General Mandate and the General Mandate is sufficient for the allotment and issue of the Consideration Shares.

### ***Application for Listing***

An application will be made by the Company to the Stock Exchange for the listing of, and permission to deal in, the Consideration Shares.

### **Promissory Note**

The terms of the Promissory Note have been negotiated on an arm's length basis and the principal terms of which are set out below:

#### ***Issuer***

The Company

#### ***Principal amount***

HK\$37,360,000

#### ***Interest***

The Promissory Note shall carry interest at the interest rate of 5% per annum from the date of the issue of the Promissory Note and calculated on the basis of the actual number of days elapsed and a 365-day year.

Interest shall be paid annually in arrears on 31 December of each year after the date of issue of the Promissory Note.

#### ***Maturity***

The date falling 5 years from the date of issuance of the Promissory Note whereby any outstanding principal amount of the Promissory Note and accrued but unpaid interest shall be redeemed and repaid in full.

#### ***Early redemption***

The Company may redeem all or part of the Promissory Note at any time prior to its maturity together with payment of all interest accrued on the principal amount thereby redeemed but unpaid, by giving the Vendor not less than ten Business Days' prior written notice.

#### ***Security***

The Promissory Note is unsecured.

## ***Transferability***

The Promissory Note is not transferrable by the Vendor unless prior written consent has been obtained from the Company.

## **Conditions precedent**

Completion is conditional upon and subject to the satisfaction (or waiver, as the case may be) of the following conditions:

- (1) the Purchaser being satisfied with the results of the due diligence review conducted in relation to the Acquisition;
- (2) the Listing Committee granting the listing of and the permission to deal in the Consideration Shares;
- (3) all necessary consents and approvals required to be obtained on the part of the Vendor and the Target Group in respect of the Sale and Purchase Agreement and the transactions contemplated thereunder having been obtained;
- (4) all necessary consents and approvals required to be obtained on the part of the Purchaser in respect of the Sale and Purchase Agreement and the transactions contemplated thereunder having been obtained; and
- (5) the representations and warranties of the Vendor in the Sale and Purchase Agreement remaining true and accurate and not misleading, and there being no events, facts or circumstances that constitute a breach of the Vendor's representations and warranties in the Sale and Purchase Agreement in relation to the Vendor and/or the Target Group.

The Purchaser may at its absolute discretion at any time waive in writing any of the conditions (1) and (5) above and such waiver may be made subject to such terms and conditions as may be determined by the Purchaser. Other than conditions (1) and (5), all other conditions set out above cannot be waived. If any of the conditions set out in the Sale and Purchase Agreement have not been satisfied (or as the case may be, waived) on or before 30 June 2024 (or such later date as may be agreed between the Vendor and the Purchaser in writing), the Sale and Purchase Agreement shall cease and determine.

## **Completion**

Completion shall take place on the Completion Date after fulfilment (or waiver, as the case may be) of all the conditions precedent under the Sale and Purchase Agreement.

Upon Completion, the Group will be interested in the entire issued share capital of the Target Company and the Target Company will become an indirect wholly-owned subsidiary of the Company. As at the date of this announcement, Yiyilan is wholly-owned by the Target Company and Desheng is wholly-owned by Yiyilan. As such, the financial information of the Target Group will be consolidated into the financial statements of the Group.

Furthermore, Desheng has entered into a number of construction agreements and equipment purchase agreements in relation to a coal storage shed project in Shanxi province, the PRC. Upon Completion, the Group expects to inject approximately RMB18 million (equivalent to approximately HK\$19,800,000) as capital commitment for the coal storage shed project.

## **INFORMATION ON THE PARTIES**

### **The Group**

The Company is an investment holding company. The Group is principally engaged in (i) the trading of coal; (ii) provision of coal processing services; (iii) coal service supply chain; and (iv) mining, ore processing and sale of nickel, copper, lead and zinc products in the PRC.

### **The Vendor**

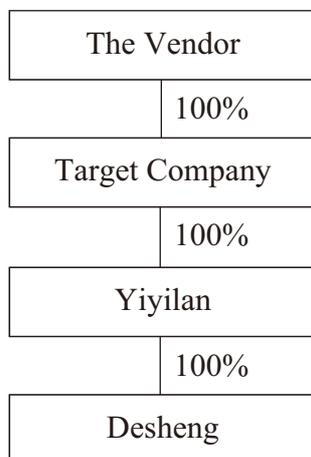
The Vendor is a merchant.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, as of the date of this announcement, the Vendor is an Independent Third Party.

### **The Target Group**

#### ***Shareholding Structure of the Target Group***

Set out below is the shareholding structure of the Target Group as at the date of this announcement:



Set out below is the shareholding structure of the Target Group immediately after Completion:



***The Target Company***

The Target Company is a company incorporated in Hong Kong with limited liability and is principally engaged in investment holding. The Target Company is the holding company of Yiyilan.

***Yiyilan***

Yiyilan is a company established in the PRC with limited liability and is principally engaged in investment holding. Yiyilan is the holding company of Desheng.

***Desheng***

Desheng is a company established in the PRC with limited liability and is principally engaged in (i) supply chain management services; and (ii) general cargo storage services.

Set out below is the unaudited consolidated financial information of the Target Group for the period from 10 October 2023 (being the date of incorporation of the Target Company) to 30 November 2023:

	<b>For the period from 10 October 2023 to 30 November 2023</b>	
	<i>Equivalent to approximately</i>	
	<i>RMB'000</i>	<i>HK\$'000</i>
	(unaudited)	(unaudited)
Revenue	–	–
Loss before income tax	922	1,014
Loss after income tax	922	1,014

Based on the unaudited consolidated management accounts of the Target Group, the consolidated net liabilities value of the Target Group as at 30 November 2023 was approximately RMB922,000 (equivalent to approximately HK\$1,014,000).

#### **ADJUSTED NET ASSET VALUE**

Based on the unaudited consolidated management accounts of the Target Group, the consolidated net liabilities value of the Target Group as at 30 November 2023 was approximately RMB922,000 (equivalent to approximately HK\$1,014,000) as there was the Vendor's Loan of RMB100,000,000 (equivalent to approximately HK\$110,000,000). Pursuant to the terms of the Sale and Purchase Agreement, the Vendor's Loan will be transferred to the Purchaser (or its designated entity) at the nominal consideration of RMB1 (equivalent to approximately HK\$1.10) upon Completion. As such, the adjusted net asset value (the "**Adjusted NAV**") of the Target Group as at 30 November 2023 was approximately RMB99,078,000 (equivalent to approximately HK\$108,986,000) if the Vendor's Loan was not taken into account.

#### **VALUATION**

The preliminary valuation (the "**Valuation**") of the Target Group of approximately RMB98,900,000 (equivalent to approximately HK\$108,790,000) as at 30 November 2023 (the "**Valuation Date**") was prepared by an independent third party valuer, Masterpiece Valuation Advisory Limited (the "**Independent Valuer**"). The Independent Valuer has qualifications as a member of the Hong Kong Institute of Surveyors (General Practice), Associate Member of the Australian Property Institute and a Registered Professional Surveyor (General Practice) registered with the Surveyors Registration Board, with more than 10 years' experience in financial valuation, property valuation and business consulting in Hong Kong and the PRC. The Valuation is based on fair value and the Independent Valuer adopted an asset-based approach as at the Valuation Date.

In arriving at the appraised value of the Target Group, the Independent Valuer used an asset-based approach to determine the value of identifiable assets and liabilities of the Target Group as set out in its unaudited consolidated balance sheet as at 30 November 2023, including, among others, the value of the property, plant and equipment, construction-in-progress, other equipment and the Vendor's Loan. In particular, to determine the value of the property, plant and equipment and construction-in-progress, the Independent Valuer appraised the value of the same by reference to the replacement cost model.

In determining the valuation approaches, the Independent Valuer considered three generally accepted valuation approaches, namely the income approach, asset-based approach and market approach. The income approach requires subjective assumptions and financial projections which are unavailable given the Target Group's lack of operating history. Comparable market multiples cannot be applied under the market approach for the same reason.

Among the three approaches, the asset-based approach was the most appropriate methodology to determine the fair value of the Target Group. This approach values an enterprise based on the fair value of its identifiable assets and liabilities. As the Target Group primarily holds property, plant and equipment, the asset-based approach was considered suitable.

Under the asset-based approach, recorded assets held by the Target Group were examined and adjusted to fair value. Assets such as bank balances, prepayments, inventories and other receivables were assumed to reasonably represent their fair values as book values.

Property, plant and equipment, construction in progress and intangible assets involved assets used in the Target Group's normal business operations. The fair value was determined to be RMB20,590,000 based on replacement cost.

For the value of construction-in-progress, the fair value was determined to be RMB125,030,000 million based on the declared amount of the project and verification against actual accounts.

After taking into account all stated liabilities and the Vendor's Loan to be transferred at nominal value upon Completion, an aggregate fair value of RMB98,900,000 was derived at for 100% equity interest of the Target Group excluding the Vendor's Loan.

<b>Assets/Liabilities</b>	<b>Carrying Value as at 30 November 2023 RMB'000 (unaudited)</b>	<b>Fair Value as at 30 November 2023 RMB'000 (unaudited)</b>
<b>Assets</b>		
Bank balances and cash	11,773	11,773
Prepayment	23,512	23,512
Other receivables	14,522	14,522
Inventories	6,069	6,069
Property, plant and equipment, construction in progress and intangible assets	145,819	145,616
<b>Total Assets</b>	<b>201,695</b>	<b>201,492</b>
<b>Liabilities</b>		
Accounts payable	(11,530)	(11,530)
Employee remuneration payable	(111)	(111)
Tax payables	(1)	(1)
Other payables	(175)	(175)
Other loan	(90,800)	(90,800)
Vendor's Loan	(100,000)	(100,000)
<b>Total Liabilities</b>	<b>(202,617)</b>	<b>(202,617)</b>
<b>Net Liabilities</b>	<b>(922)</b>	<b>(1,125)</b>
100% equity value		(1,125)
Add: Vendor's Loan to be transferred		100,000
100% equity value (excluding the Vender's Loan to be transferred to the Purchaser), rounded		<b>98,900</b>

The Board is of the view that the Valuation, which was based on fair value and the basis set out above, is fair and reasonable as it represents an objective measure of the value of the Target Group.

## EFFECT ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

As at the date of this announcement, the Company has 1,787,388,000 Shares in issue. The following table sets out the shareholding structure of the Company as at the date of this announcement and immediately upon Completion and the allotment and issue of the Consideration Shares (assuming there will be no change in the share capital of the Company prior to the Completion):

Shareholder	As at the date of this announcement		Immediately upon the allotment and issue of the Consideration Shares	
	Number of Shares	Approximate %	Number of Shares	Approximate %
Sky Circle International Limited (Note 1)	521,000,000	29.1	521,000,000	27.0
Feng Yuantao	306,522,040	17.1	306,522,040	15.8
Prosper Union Holdings Limited (Note 2)	137,792,017	7.7	137,792,017	7.1
Vendor	–	–	156,600,000	8.1
Other public Shareholders	822,073,943	46.1	822,073,943	42.3
Total	<u>1,787,388,000</u>	<u>100.0</u>	<u>1,943,988,000</u>	<u>100.0</u>

Notes:

1. Mr. Cui Yazhou (“**Mr. Cui**”), the chairman of the Board and an executive Director, is the legal and beneficial owner of the entire issued share capital of Sky Circle International Limited which holds 521,000,000 Shares, and thus Mr. Cui is deemed to be interested in such shares of the Company under the SFO.
2. Mr. Ye Xin (“**Mr. Ye**”), an executive Director is the legal and beneficial owner of the entire issued share capital of Prosper Union Holdings Limited which holds 137,792,017 Shares, and thus Mr. Ye is deemed to be interested in such shares of the Company under the SFO.

## REASONS FOR AND BENEFITS OF THE ACQUISITION

The Company is an investment holding company. The Group is principally engaged in (i) the trading of coal; (ii) provision of coal processing services; (iii) coal service supply chain; and (iv) mining, ore processing and sale of nickel, copper, lead and zinc products in the PRC.

The Company has developed rapidly in its coal business in the past two years. Since the launch of the coal business in 2019, the revenue has increased from approximately RMB86 million in 2019 to RMB2 billion in 2022, and the profit from coal business segment has also increased from approximately RMB590,000 in 2019 to RMB210 million in 2022. The coal business has become an indispensable business for the Company, and it is also the Company’s key business and growth driver in the future.

In order to seize future growth opportunities, the Group needs to further expand the Group's storage and supply chain capabilities. The core assets of the Target Group are two coal sheds and the associated machineries of such coal sheds. The expected total storage capacity of the two coal sheds is 1 million tonnes of coal. The coal sheds are located in a logistics park in Shanxi province, the PRC, which has storage and logistics supporting facilities such as cylindrical silos, train dumpers, and coal storage yards. The logistics park is located approximately 1.5 km from a railway station, which is connected to Changzhi South Station of the Central-South Railway, and is also adjunct to the National Highway 228, Erguang Expressway, county and township roads, which the Company considers is a prime location from an operational perspective and would provide a stable source of demand for the Target Group's businesses and may potentially provide an additional source of supply to the Group's trading businesses.

The coal sheds and the specialised equipment allow the Company to fulfill the storage, loading and coal mixing demands of its customers in Shanxi province, the PRC and the Acquisition will allow the Group to enhance the value chain of the coal business through providing additional storage and coal mixing services to the Group's customers, and in turn strengthen the competitiveness of the Group. The Acquisition would allow the Group to have immediate access to existing coal sheds and the specialised equipment, thereby facilitating the integration of the operation of the Target Group with the Group's existing businesses to expand its scale of operation and create a new growth driver.

The Board believes that given that the Target Group is principally engaged in the activities set out above, the Acquisition is in line with the development strategy of the Group to strengthen its existing trading of coal business and supply chain management services capabilities and its presence and provision of services in the coal industries in the PRC. Furthermore, the Acquisition will allow the Group to utilise the synergies created by the acquisition of the Target Group and create long-term and strategic growth opportunities for the Group.

Therefore, the Board is of the view that the terms of the Sale and Purchase Agreement are fair and reasonable and the Acquisition is in the interests of the Company and the Shareholders as a whole.

## **LISTING RULES IMPLICATIONS**

As the highest applicable percentage ratio (as defined in the Listing Rules) in respect of the Acquisition is more than 5% but less than 25%, the Acquisition constitutes a disclosable transaction on the part of the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

**Shareholders and potential investors of the Company should note that Completion is subject to the fulfillment or waiver (as the case may be) of the relevant conditions, therefore the Acquisition may or may not proceed. Accordingly, the Acquisition may or may not materialise and Shareholders and potential investors of the Company are reminded to exercise caution when dealing in the Shares.**

## DEFINITIONS

Unless otherwise specified, the following terms have the following meanings in this announcement:

“Acquisition”	the acquisition of the Sale Share by the Purchaser pursuant to the terms and conditions of the Sale and Purchase Agreement
“associate”	has the meaning ascribed thereto under the Listing Rules
“Board”	the board of Directors
“Business Day”	any day (excluding Saturday, Sunday or public or statutory holiday) on which licensed banks in Hong Kong are generally open for business throughout their normal business hours
“Company”	Huili Resources (Group) Limited, a company incorporated in the Cayman Islands with limited liability and the Shares of which are listed on the Stock Exchange (stock code: 1303)
“Completion”	the completion of the Acquisition pursuant to the terms and conditions of the Sale and Purchase Agreement
“Completion Date”	the date within 10 Business Days after the fulfilment (or waiver, as the case may be) of all the conditions precedent under the Sale and Purchase Agreement or such other date as the Vendor and the Purchaser may agree in writing
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“Consideration”	the consideration for the Acquisition, being HK\$100,000,000 which will be satisfied by (i) the allotment and issue of the Consideration Shares; and (ii) the issue of the Promissory Note
“Consideration Shares”	the 156,600,000 new Shares to be allotted and issued to the Vendor, subject to the terms and conditions under the Sale and Purchase Agreement, at the Issue Price credited as fully paid to satisfy the Consideration

“Desheng”	Changzhishi Desheng Coal Storage and Distribution Company Limited* (長治市德勝煤炭儲配有限公司), a company established in the PRC and a wholly-owned subsidiary of Yiyilan
“Director(s)”	the director(s) of the Company
“General Mandate”	the general mandate granted to the Directors pursuant to an ordinary resolution passed at the Company’s annual general meeting on 9 June 2023 to allot and issue up to 324,000,000 Shares, representing 20% of the then total number of Shares on the date of passing such resolution
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	third party(ies) independent of and not connected (as defined under the Listing Rules) with the Company and connected person(s) of the Company
“Issue Price”	HK\$0.40 per Consideration Share
“Listing Committee”	the Listing Committee of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China
“Promissory Note”	the promissory note in the principal amount of HK\$37,360,000 to be issued by the Purchaser in favour of the Vendor to settle part of the Consideration
“Purchaser”	Surplus Plan Limited, a company incorporated in Hong Kong with limited liability and a direct wholly-owned subsidiary of the Company
“Sale and Purchase Agreement”	the sale and purchase agreement dated 29 December 2023 and entered into between the Purchaser and the Vendor in respect of the Acquisition

“Sale Share”	being 1 ordinary share, representing the entire issued share capital of the Target Company, which is legally and beneficially owned by the Vendor as at the date of this announcement
“SFO”	the 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 the issued Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	CC Bong Logistics Limited, a company incorporated in Hong Kong with limited liability
“Target Group”	the Target Company, Yiyilan and Desheng, collectively
“Vendor”	Mr. Bong Chin Chung, the legal and beneficial owner of the Sale Share
“Vendor’s Loan”	all debts owing by Yiyilan and Desheng to the Vendor at Completion, which is RMB100,000,000 as at the date of this announcement
“Yiyilan”	Shenzhen Yiyilan Supply Chain Management Company Limited* (深圳奕逸蘭供應鏈管理有限公司), a company established in the PRC and a wholly-owned subsidiary of the Target Company
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“RMB”	Renminbi, the lawful currency of the PRC
“%”	per cent.

*For ease of reference and unless otherwise specified in this announcement, sums in RMB in this announcement have been translated, for the purpose of illustration only, into HK\$ on the basis of RMB1.00 = HK\$1.10. This does not mean that HK\$ could be converted into RMB, or vice versa, based on such exchange rate.*

By order of the Board  
**Huili Resources (Group) Limited**  
**Cui Yazhou**  
*Chairman*

Hong Kong, 29 December 2023

*As at the date of this announcement, the executive Directors are Mr. Cui Yazhou (Chairman), Mr. Ye Xin, Ms. Wang Qian and Mr. Zhou Jianzhong; the non-executive Director is Mr. Cao Ye; and the independent non-executive Directors are Ms. Xiang Siying, Ms. Huang Mei and Mr. Chan Ping Kuen.*

\* *For identification purposes only*