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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)

**COMPLETION OF 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**

Reference is made to the announcement of Huili Resources (Group) Limited (the “**Company**”) dated 29 December 2023 (the “**Announcement**”) in relation to, among other things, the Acquisition. Unless otherwise defined, capitalised terms used in this announcement shall have the same meanings as those defined in the Announcement.

The Board is pleased to announce that all of the conditions precedent under the Sale and Purchase Agreement have been fulfilled and the Completion of the Acquisition took place on 24 January 2024 in accordance with the terms and conditions of the Sale and Purchase Agreement. Upon the Completion, the Company indirectly owns 100% equity interests in the Target Company and the Target Company has become an indirect wholly-owned subsidiary of the Company. As such, the financial results of the Target Company will be consolidated into the financial statements of the Group.

In accordance with the Sale and Purchase Agreement, the Consideration of HK\$100,000,000 was 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

The Company allotted and issued 156,600,000 Consideration Shares to the Vendor for the purpose of settlement of the Consideration of HK\$62,640,000 at the Issue Price of HK\$0.40 per Consideration Share, representing approximately 8.10% of the issued share capital of the Company as enlarged by the allotment and issue of the Consideration Shares.

Effect on the shareholding structure of the company

The shareholding structure of the Company immediately before and upon the Completion is set out as follows:

Shareholder	Immediately prior to the Completion		Immediately upon the allotment and issue of the Consideration Shares	
	Number of Shares	Approximate %	Number of Shares	Approximate %
Sky Circle International Limited (<i>Note 1</i>)	521,000,000	29.1	521,000,000	26.8
Feng Yuantao	306,522,040	17.1	306,522,040	15.7
Prosper Union Holdings Limited (<i>Note 2</i>)	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.

PROMISSORY NOTE

The Company issued Promissory Note in the principal amount of HK\$37,360,000 on 24 January 2024 to the Vendor for the purpose of settlement of the Consideration of HK\$37,360,000.

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

Hong Kong, 24 January 2024

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.