
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 REPURCHASE SHARES,
RE-ELECTION OF RETIRING DIRECTORS,
AND
NOTICE OF ANNUAL GENERAL MEETING**

A notice convening the annual general meeting of the Company to be held at 17th Floor, Far East Finance Centre, 16 Harcourt Road, Hong Kong at 11:00 a.m. on Monday, 28 May 2012 is set out on pages 13 to 16 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 Tricor Investor Services Limited, at 26th Floor, Tesbury Centre, 28 Queen’s Road East, Wanchai, Hong Kong as soon as possible and in any event not later than 48 hours before the time appointed for holding the meeting or any adjournment thereof. 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.

20 April 2012

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DEFINITIONS

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

“AGM”	the annual general meeting of the Company to be held at 17th Floor, Far East Finance Centre, 16 Harcourt Road, Hong Kong on Monday, 28 May 2012 at 11:00 a.m., notice of which is set out on pages 13 to 16 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
“associates”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“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
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Directors”	the directors 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
“Latest Practicable Date”	16 April 2012, 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 16 of this circular
“PRC” or “China”	The People’s Republic of China

DEFINITIONS

“Repurchase Mandate”	the proposed general mandate to repurchase Shares to be granted to the Directors at the AGM
“SFO”	Securities and Futures Ordinance (Cap 571 of the Laws of Hong Kong)
“Share(s)”	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 Repurchases
“%”	per cent

LETTER FROM THE BOARD



滙力集團
HUILI GROUP

Huilu 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:

Mr. Wang Dayong
Mr. Lu Qi
Mr. Zhao Guangsheng
Mr. Wu Guangsheng
Mr. Zhao Bochen

*Registered office and principal
place of business in Hong Kong:*
20th Floor,
Alexandra House
18 Chater Road
Central
Hong Kong

Non-Executive Directors:

Mr. Xue Di'an
Mr. Liu Tongyou

Independent Non-Executive Directors:

Mr. Cao Shiping
Mr. Cao Kuangyu
Mr. Sin Lik Man

20 April 2012

To the Shareholders

Dear Sir or Madam,

**GENERAL MANDATES TO ISSUE NEW SHARES
AND TO REPURCHASE SHARES,
RE-ELECTION OF RETIRING 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 Repurchase Mandate; and (ii) the re-election of Directors.

LETTER FROM THE BOARD

GENERAL MANDATE TO ISSUE NEW SHARES AND TO REPURCHASE SHARES

The Company's existing general mandates to issue and repurchase Shares were approved by its then Shareholders on 16 December 2011. Such general mandates have not been utilised as at the Latest Practicable Date and 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 share capital of the Company as at the date of the passing of such resolution; (b) to repurchase Shares not exceeding 10% of the issued share capital of the Company 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 Repurchase Mandate at the AGM, to extend the Issue Mandate by the number of Shares repurchased under the Repurchase Mandate.

The Issue Mandate and the Repurchase 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 1,000,000,000 Shares in issue. Subject to the passing of the ordinary resolutions to approve the Issue Mandate and the Repurchase Mandate at the AGM and on the basis that no further Shares are issued or repurchased between the Latest Practicable Date and the date of the AGM, the Company would be allowed to issue up to a maximum of 200,000,000 Shares under the Issue Mandate (assuming the Repurchase Mandate has not been utilized) and to repurchase up to a maximum of 100,000,000 Shares under the Repurchase Mandate.

The Directors have no present intention to exercise the Issue Mandate to issue and allot Shares and to exercise the Repurchase Mandate to repurchase Shares.

An explanatory statement providing all the information required under the Listing Rules regarding the Repurchase Mandate is set out in Appendix II to this circular.

RE-ELECTION OF RETIRING DIRECTORS

Pursuant to the Articles of Association, Mr. Wang Dayong, Mr. Xue Di'an, Mr. Liu Tongyou and Mr. Cao Shiping will retire from office and, being eligible, offer themselves for re-election 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 I to this circular.

ANNUAL GENERAL MEETING

The Notice is set out on pages 13 to 16 of this circular at which resolutions will be proposed, inter alia, to re-elect retiring Directors and to approve the grant of the Issue Mandate and the Repurchase Mandate.

LETTER FROM THE BOARD

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 registrar, Tricor Investor Services Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time fixed for holding the AGM or any adjourned meeting thereof. 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.

VOTING BY POLL

All the resolutions set out in the Notice will be decided by poll pursuant to the Listing Rules. The chairman of the AGM will explain the detailed procedures for conducting a poll at the commencement of the AGM.

On a poll, every Shareholder present in person or by proxy or, in the case of a Shareholder being a corporation, by its duly authorised representative, shall have one vote for every Share held which is fully paid or credited as fully paid.

After the conclusion of the AGM, the poll results will be published on the website of Stock Exchange at www.hkex.com.hk and the website of the Company at www.huili.hk.

RECOMMENDATION

The Directors consider that the grant of the Issue Mandate and the Repurchase Mandate and the re-election of retiring Directors 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 the 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
Wang Dayong
Chairman

APPENDIX I DETAILS OF DIRECTORS TO BE RE-ELECTED AT THE AGM

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

EXECUTIVE DIRECTOR

Mr. WANG Dayong

Mr. Wang Dayong, aged 46, is an executive Director and the Chairman of the Company. Mr. Wang joined the Group in January 2008 and was appointed as an executive Director of the Company on 19 February 2010. He is responsible for formulating major corporate and business strategies of the Group. He graduated from the University of Nanjing with a Bachelor degree in Economics. He also holds a Master degree in Commerce and Economics major in Money and Banking from Graduate University of Chinese Academy of Social Sciences and a Doctor of Economics from the Business School of Jilin University. With over 20 years' experience in investment, finance and management, Mr. Wang is familiar with corporate merger and acquisition and direct investment. He has comprehensive and in-depth knowledge of coal, coal chemical, metal mineral resources industries and maintains strong networks in business field and with central and local government agencies in the PRC.

During July 1988 to December 1998, Mr. Wang had been worked with the China State Farm Agribusiness Group Corp., the PRC. During the period from November 2003 to December 2008, Mr. Wang served as a managing director of China Coal and Coke Investment Fund L.P. and China Coal and Coke Investment Holding Company Limited. He was also an executive director and CEO of E-Life International Limited (Stock Code: 370) (now known as "China Best Group Holding Limited"), from 16 September 2004 to 5 June 2007. During the period from January 2005 to August 2008, Mr. Wang served as a director and chief executive officer of Fortune Dragon Group Limited, a company with major investment in coking coal mine operations in Shanxi, the PRC. Such coking coal mine operations were subsequently sold to Fushan International Energy Group Limited (now known as "Shougang Fushan Resources Group Limited") (Stock Code: 639) at the consideration of HK\$10.53 billion in July 2008. Mr. Wang is also an executive director and the Chairman of King Stone Energy Group Limited (Stock Code: 663).

As at the Latest Practicable Date, Sky Circle International Limited, which is wholly owned by Mr. Wang, is interested in 280,643,135 Shares, representing approximately 28.06% of the existing issued share capital of the Company.

Saved as aforesaid, as at the Latest Practicable Date Mr. Wang does not hold positions with the Company and other members of the Group and does 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. Save as aforesaid, he does not have, and is 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.

APPENDIX I DETAILS OF DIRECTORS TO BE RE-ELECTED AT THE AGM

Mr. Wang has entered into a service contract with the Company for a term of three years from 19 February 2010 unless terminated by not less than three months' notice in writing served by either Mr. Wang or the Company. Pursuant to the terms of the service contract, his basic Director's remuneration of HK\$600,000 per annum is determined with reference to his role, level of experience and contribution to the Group.

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 Mr. Wang.

NON-EXECUTIVE DIRECTORS

Mr. XUE Di'an

Mr. Xue Di'an, aged 73, joined the Group in November 2002 and was appointed as a non-executive Director of the Company on 16 December 2011. Mr. Xue graduated from Shaanxi Geology College specialized in mining geology and exploration in 1959 and is qualified as a senior engineer in 1993. Mr. Xue has over 50 years of experience in geological surveying, exploration and design of mines.

Between 1965 and 1983, Mr. Xue worked in Geology team one of Gansu Province Geology Bureau, held the position as geology technician. During the period of 1984 to 1998, Mr. Xue worked in Team six of Henan Non-ferrous Metals Geological Bureau and held various positions as engineer and senior engineer. During 2002 to 2006, he was the Chief engineer and deputy general manager of Hami Jiatai Mineral Resource Exploiture Limited, the subsidiary of the Company. Currently, Mr. Xue provides advice, on an ad hoc basis, to the Group in the surveying, exploration and management of the mines in Shaanxi.

Save as aforesaid, as at the Latest Practicable Date Mr. Xue does not hold positions with the Company and other members of the Group and does 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 does not have, and is 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. Xue has signed an appointment letter with the Company for a term of three years from 16 December 2011. Pursuant to the terms of the service contract, his basic Director's remuneration of HK\$120,000 per annum is determined with reference to his role, level of experience and contribution to the Group.

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 Mr. Xue.

APPENDIX I DETAILS OF DIRECTORS TO BE RE-ELECTED AT THE AGM

Mr. LIU Tongyou

Mr. Liu Tongyou, aged 69, was appointed as a non-executive Director of the Company on 16 December 2011. Mr. Liu graduated from the Beijing University of Iron and Steel Technology (now known as University of Science and Technology Beijing) majoring in mining engineering in 1965. Mr. Liu obtained the qualification as senior engineer specialised in the mining industry in 1994 and has approximately 40 years of relevant experience.

He worked with Jinchuan Group Ltd. during 1965 to 2002 and held various positions from technician to Deputy General Manager of Jinchuan Non-Ferrous Metal Company (JNMC). In 1995, Mr. Liu was appointed as researcher of Engineering Geomechanics Laboratory Institute of Geology, Chinese Academy of Sciences. In 1998, Mr. Liu was appointed as vice president of the Fifth Council of Gansu Institute of Mechanics, and in 2000 he was hired as invited member of Institute of Engineering Mechanics, CSB. During 2000 to 2004, Mr. Liu was a council member of the 4th Committee of the Nonferrous Metals of Society of China (NMSC) and elected as the Deputy Director of the Mining Society Committee under NMSC. He was also the Deputy Director of Safety Society Committee under NMSC in 1995. In 2000, Mr. Liu was also appointed as the vice president of the Third Committee of China Mining Association. Mr. Liu has also been involved in various mining publications and was professor for various universities in the PRC.

Save as aforesaid, as at the Latest Practicable Date Mr. Liu does not hold positions with the Company and other members of the Group and does 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 does not have, and is 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. Liu has signed an appointment letter with the Company for a term of three years from 16 December 2011. Pursuant to the terms of the service contract, his basic Director's remuneration of HK\$120,000 per annum is determined with reference to his role, level of experience and contribution to the Group.

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 Mr. Liu.

INDEPENDENT NON-EXECUTIVE DIRECTOR

Mr. CAO Shiping

Mr. Cao Shiping, aged 62, was appointed as an independent non-executive Director of the Company on 16 December 2011. He graduated from the Kunming University of Science and Technology (now known as Kunming University of Science and Technology) in 1975 majoring in mining. Mr. Cao has the qualification of chief senior engineer and approximately 30 years of

APPENDIX I DETAILS OF DIRECTORS TO BE RE-ELECTED AT THE AGM

experience in mining industry. From 1975 to 1998, Mr. Cao worked for various positions in Dayao Copper Mine. Since 1998, Mr. Cao joined Yunnan Copper (Group) Company Limited for various senior technical positions and currently holds the consultant position. Mr. Cao was admitted as a certified senior Enterprise Risk Manager in 2006.

Save as aforesaid, as at the Latest Practicable Date Mr. Cao does not hold positions with the Company and other members of the Group and does 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 does not have, and is 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 signed an appointment letter with the Company for a term of three years from 16 December 2011. Pursuant to the terms of the service contract, his basic Director's remuneration of HK\$120,000 per annum is determined with reference to his role, level of experience and contribution to the Group.

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 Mr. Cao.

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 Repurchase Mandate.

1. LISTING RULES RELATING TO THE REPURCHASE OF SHARES

The Listing Rules permit companies whose primary listings are on the Stock Exchange to repurchase 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 repurchases 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 1,000,000,000 fully paid up Shares of HK\$0.10 each. Subject to the passing of the ordinary resolution to approve the Repurchase Mandate at the AGM and on the basis that no further Shares are issued or repurchased between the Latest Practicable Date and the date of the AGM, the Company would be allowed under the Repurchase Mandate to repurchase up to a maximum of 100,000,000 fully paid up Shares, representing 10% of the issued share capital of the Company as at the Latest Practicable Date.

3. REASONS FOR REPURCHASES

The Directors believe that the Repurchase Mandate is in the best interests of the Company and the Shareholders. Such repurchases 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 repurchases will benefit the Company and the Shareholders as a whole.

4. FUNDING OF REPURCHASES

Repurchases 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 repurchase 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 repurchases 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 current financial position as at 31 December 2011 (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 Repurchase 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 Repurchase 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 INTERESTS

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

No connected person of the Company has notified the Company that he has a present intention to sell any Shares to the Company, or has undertaken not to do so, in the event that the Repurchase 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 repurchases pursuant to the Repurchase 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	Lowest
	<i>HK\$</i>	<i>HK\$</i>
2012		
January (from 12 January 2012, being the commencement date of dealing of the Shares on the Stock Exchange)	2.00	1.63
February	2.94	2.00
March	2.75	1.70
April (up to and including the Latest Practicable Date)	2.28	1.72

8. SHARE REPURCHASE MADE BY THE COMPANY

There have been no repurchases 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 repurchase Shares pursuant to the Repurchase 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, the controlling Shareholders, namely Sky Circle International Limited (which is wholly owned by Mr. Wang Dayong) together with King Award Limited (which is wholly owned by Mr. Lu Qi) ("Sky Circle & King Award"), is interested in 623,651,411 Shares (approximately 62.36% of the issued share capital of the Company). Moreover, High Inspiring Limited ("High Inspiring"), which is wholly owned by China Construction Bank Corporation, is interested in 126,348,589 Shares (approximately 12.63% 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 of the Repurchase Mandate is exercised in full, the shareholdings of Sky Circle & King Award and High Inspiring would be increased to approximately 69.29% and 14.04% of the issued share capital of the Company respectively. Accordingly, the Directors are not aware of any consequences of such repurchases of Shares that would result in a Shareholder, or group of Shareholders acting in concert, becoming obliged to make a mandatory offer under Rule 26 of the Takeovers Code. The Directors have no present intention to exercise the Repurchase Mandate which would render any Shareholder or group of Shareholders obliged to make a mandatory offer under Rule 26 of the Takeovers Code.

The Directors are also aware that the Listing Rules prohibit a company from making repurchase on the Stock Exchange if the result of the repurchase 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 Repurchase 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.

NOTICE OF AGM



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)

NOTICE IS HEREBY GIVEN that the annual general meeting of Huili Resources (Group) Limited (the “Company”) will be held at 11:00 a.m. on Monday, 28 May 2012 at 17th Floor, Far East Finance Centre, 16 Harcourt Road, Hong Kong for the following purposes:

ORDINARY RESOLUTIONS

1. To receive, consider and approve the audited financial statements, the directors’ report and the auditors’ report for the year ended 31 December 2011.
2. (A) To re-elect Mr. Wang Dayong as an executive director of the Company;
(B) To re-elect Mr. Xue Di’an as a non-executive director of the Company;
(C) To re-elect Mr. Liu Tongyou as a non-executive director of the Company;
(D) To re-elect Mr. Cao Shiping as an independent non-executive director of the Company; and
(E) To authorise the board of directors to fix the remuneration of the directors of the Company.
3. To re-appoint Messrs. PricewaterhouseCoopers as the auditors of the Company and to authorise the board of directors 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

NOTICE OF AGM

and debentures convertible into shares of the Company which would or might require the exercise of such power, subject to and in accordance with all applicable laws and the memorandum and articles of association of the Company, 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 power after the end of the Relevant Period;
- (c) the aggregate nominal amount of the share capital 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-paragraphs (a) and (b) 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 of 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 aggregate nominal amount of the share capital 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.

“**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

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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 applicable to the Company).”

(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 repurchase 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 Rules Governing the Listing of Securities on the Stock Exchange 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 aggregate nominal amount of the shares of the Company to be repurchased by the Company pursuant to the approval in sub-paragraphs (a) and (b) above shall not exceed 10 per cent of the aggregate nominal amount of the issued share capital 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

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(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 aggregate nominal amount of the issued shares in the capital of the Company which are repurchased 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 aggregate nominal amount of the share capital 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
Wang Dayong
Chairman

Hong Kong, 20 April 2012

Registered Office and Principal Place of Business in Hong Kong:
20th Floor,
Alexandra House
18 Chater Road
Central
Hong Kong

Notes:

- (1) 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.
- (2) 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.
- (3) 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 share registrar, Tricor Investor Services Limited, at 26th Floor, Tesbury Centre, 28 Queen’s Road East, Wanchai, Hong Kong not less than 48 hours before the time appointed for holding the meeting. Completion and return of a form or proxy will not preclude shareholders from attending and voting in person should they so desire.
- (4) A form of proxy for use at the meeting is enclosed herewith.