
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,
REFRESHMENT OF THE SCHEME MANDATE LIMIT,
AND
NOTICE OF ANNUAL GENERAL MEETING**

A notice convening the annual general meeting of the Company to be held at 3rd Floor, No. 8 Queen’s Road Central, Hong Kong at 11:30 a.m. on Friday, 3 June 2016 is set out on pages 17 to 22 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 Level 22, Hopewell Centre, 183 Queen’s Road East, 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.

29 April 2016

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DEFINITIONS

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

“2015 AGM”	the annual general meeting of the Company held on 5 June 2015
“AGM”	the annual general meeting of the Company to be held at 3rd Floor, No. 8 Queen’s Road Central, Hong Kong on Friday, 3 June 2016 at 11:30 a.m., notice of which is set out on pages 17 to 22 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
“close associates”	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
“core 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”	22 April 2016, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained in this circular

DEFINITIONS

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Notice”	the notice convening the AGM as set out on pages 17 to 22 of this circular
“Option(s)”	the share option(s) granted by the Company under the Share Option Scheme
“PRC” or “China”	The People’s Republic of China
“Repurchase Mandate”	the proposed general mandate to repurchase Shares to be granted to the Directors at the AGM
“Scheme Mandate Limit”	the maximum number of Shares which may be issued upon the exercise of all options to be granted under the Share Option Scheme
“SFO”	Securities and Futures Ordinance (Cap 571 of the Laws of Hong Kong)
“Share Option Scheme”	the share option scheme adopted by the Company on 16 December 2011
“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 Repurchases
“%”	per cent

LETTER FROM THE BOARD



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)

Executive Directors:

Mr. Wang Dayong
Mr. Lu Qi
Mr. Sun Zhong
Mr. Shou Xuancheng
Mr. Xu Zucheng
Ms. Wang Qian

Registered office and principal

place of business in Hong Kong:
3rd Floor
No. 8 Queen's Road Central
Hong Kong

Independent Non-Executive Directors:

Mr. Cao Shiping
Mr. Cao Kuangyu
Mr. Song Shaohuan

29 April 2016

To the Shareholders

Dear Sir or Madam,

**GENERAL MANDATES TO ISSUE NEW SHARES
AND TO REPURCHASE SHARES,
RE-ELECTION OF RETIRING DIRECTORS,
REFRESHMENT OF THE SCHEME MANDATE LIMIT,
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; (ii) the re-election of Directors and (iii) refreshment of the Scheme Mandate Limit.

LETTER FROM THE BOARD

GENERAL MANDATES TO ISSUE NEW SHARES AND TO REPURCHASE SHARES

The Company's existing general mandates to issue and repurchase Shares were approved by the Shareholders at the 2015 AGM. From the 2015 AGM to the Latest Practicable Date, on 5 April 2016, 120,000,000 Shares have been issued upon completion of acquisition of Jia Zhao Ventures Limited, details of which are set out in the announcement of the Company dated 4 March 2016. 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 repurchase 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 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 1,620,000,000 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 will be 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 324,000,000 Shares under the Issue Mandate (assuming the Repurchase Mandate has not been utilized) and to repurchase up to a maximum of 162,000,000 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. Sun Zhong, Mr. Shou Xuancheng, Mr. Xu Zucheng and Ms. Wang Qian 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.

LETTER FROM THE BOARD

REFRESHMENT OF THE SCHEME MANDATE LIMIT

The Company adopted the Share Option Scheme on 16 December 2011 in compliance with Chapter 17 of the Listing Rules. Pursuant to the Share Option Scheme, the maximum number of Shares which may be issued upon exercise of all Options to be granted under the Share Option Scheme and any other scheme(s) of the Company (if any) shall not in aggregate exceed 100,000,000 Shares i.e. 10% of the total number of Shares in issue as at the date of approval of the Share Option Scheme.

The Scheme Mandate Limit may be refreshed by the Shareholders in general meeting from time to time provided that:

- (i) the Scheme Mandate Limit as refreshed shall not exceed 10% of the total number of Shares in issue as at the date of approval of the refreshment of the Scheme Mandate Limit;
- (ii) Options previously granted under the Share Option Scheme and any other share option scheme(s) adopted by the Company (including those outstanding, cancelled or lapsed in accordance with the relevant scheme or exercised Options) will not be counted for the purpose of calculating the Scheme Mandate Limit to be refreshed; and
- (iii) the total number of Shares which may be issued upon exercise of all Options granted and yet to be exercised under the Share Option Scheme or any other share option scheme(s) adopted by the Company must not exceed 30% of the Shares in issue from time to time.

During the period from the date of adoption of the Share Option Scheme and up to the Latest Practicable Date, (i) no Options have lapsed and no Options were granted, exercised or cancelled under the Share Option Scheme; and (ii) no Scheme Mandate Limit was refreshed. As at the Latest Practicable Date, there were no Options which remain outstanding and exercisable under the Share Option Scheme.

Based on 1,620,000,000 Shares in issue as at the Latest Practicable Date and assuming no further Shares will be issued and repurchased between the Latest Practicable Date and the date of the AGM, if the refreshment of the Scheme Mandate Limit is approved at the AGM, the Scheme Mandate Limit will be refreshed to 162,000,000 Shares and the Company will be allowed to grant Options under the Share Option Scheme and any other share option scheme(s) of the Company (if any) entitling holders thereof to subscribe for a maximum of 162,000,000 Shares, representing 10% of the Shares in issue as at the Latest Practicable Date.

LETTER FROM THE BOARD

To the extent that there are any unutilised Options under the Scheme Mandate Limit, all such unutilised Options will be considered as lapsed upon the approval of the refreshment of the Scheme Mandate Limit at the AGM and the Company will not be allowed to grant any further Options pursuant thereto. No Options may be granted if it would result in the number of Shares which may be issued upon exercise of all outstanding Options granted and yet to be exercised under the Share Option Scheme and any other share option scheme(s) of the Company (if any) exceed 30% of the Shares in issue from time to time.

The Directors consider that given the recent increase in issued Shares as a result of the (i) issue of 500,000,000 Shares upon completion of the open offer in September 2015 (details of which are set out in the announcements of the Company dated 12 August 2015 and 24 September 2015 and the prospectus of the Company dated 2 September 2015); and (ii) issue of 120,000,000 Shares upon completion of acquisition of Jia Zhao Ventures Limited in April 2016 as stated above, the Company should refresh the Scheme Mandate Limit so that the Company will have more flexibility to provide incentives or rewards to participants for their contribution to the Group and/or to enable the Group to recruit and retain high-calibre employees and attract human resources that are valuable to the Group. The Directors consider that the refreshment of the Scheme Mandate Limit is for the benefit of the Company and the Shareholders as a whole.

The refreshment of the Scheme Mandate Limit is conditional on:

- (a) the passing of the resolution to approve the refreshment of the Scheme Mandate Limit by the Shareholders at the AGM; and
- (b) the Listing Committee granting the listing of, and permission to deal in, such number of Shares which may fall to be issued pursuant to the exercise of the Options granted under the Scheme Mandate Limit as refreshed.

An ordinary resolution will be proposed at the AGM to approve the refreshment of the Scheme Mandate Limit. Application will be made to the Listing Committee for the grant of the listing of, and permission to deal in, the Shares which may fall to be issued pursuant to the exercise of Options granted under the Scheme Mandate Limit as refreshed.

ANNUAL GENERAL MEETING

The Notice is set out on pages 17 to 22 of this circular at which resolutions will be proposed, inter alia, to re-elect retiring Directors, to approve the grant of the Issue Mandate and the Repurchase Mandate and refreshment of the Scheme Mandate Limit.

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 Level 22, Hopewell Centre, 183 Queen's Road East, 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.

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, 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 grant of the Issue Mandate and the Repurchase Mandate, the re-election of retiring Directors and refreshment of the Scheme Mandate Limit 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 DIRECTORS

Mr. Wang Dayong

Mr. Wang Dayong, aged 49, 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 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 was also an executive director and the Chairman of King Stone Energy Group Limited (Stock Code: 663) from July 2009 to January 2013 and AID Partners Capital Holdings Limited (Stock Code: 8088) from October 2014 to June 2015. Mr. Wang has also been the independent non-executive director of Up Energy Development Group Limited (Stock Code: 307) since March 2016.

As at the Latest Practicable Date, Sky Circle International Limited, which is wholly owned by Mr. Wang, is interested in 411,514,702 Shares, representing approximately 25.40% of the existing issued share capital of the Company.

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

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.

There is no service contract between the Company and Mr. Wang. His annual director's remuneration was HK\$1,200,000 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.

Mr. Sun Zhong

Mr. Sun Zhong, aged 53, is an executive Director and chief executive officer of the Company. He was appointed as an executive Director on 25 February 2013. Mr. Sun holds a Doctoral Degree in Management and a Master's Degree in Engineering Management from Huazhong University of Science and Technology (formerly known as Central China University of Science and Technology). He also holds a Bachelor's Degree in Coal Mine Electrical Automation from Shandong University of Science and Technology (formerly known as Shandong Mining College). Mr. Sun has over 30 years of experience in the power, resources and mining industry. He is currently the managing director of State Right Holdings Limited, a 55% shareholder of CRR I State Right Investment Holding Limited which in turn is the sole shareholder of the general partner of CRR I Fund. Mr. Sun was the managing director of Shanxi Coal Mine Company Ltd. from 2006 to 2011, the vice president of Titan Petrochemicals Group Limited (stock code: 1192) from 2003 to 2006, the president of Singa-Pacific Petrochemical Co., Ltd. (a Singapore trading company) and the managing director of U.S. SGH International Inc. (an United States oil storage company) from 1997 to 2003. He also worked for various listed and stated-owned power and resources corporations in China from 1983 to 1997.

As at the Latest Practicable Date, Harvest Gain Investments Limited, which is wholly owned by Mr. Sun, is interested in 364,500,000 Shares, representing approximately 22.50% of the existing issued share capital of the Company. Pursuant to the agreement dated 23 January 2015 and the supplemental agreement dated 12 August 2015, Harvest Gain Investments Limited agreed to transfer 364,500,000 Shares to Feng Long Limited, which is wholly owned by Mr. Liu Mingzhong. The shares transfer was not completed as at the Latest Practicable Date.

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

Saved as aforesaid, as at the Latest Practicable Date Mr. Sun 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 Share, 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 Mr. Sun and the Company. His annual director's remuneration was HK\$960,000 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 Stock Exchange in relation to the re-election of Mr. Sun.

Mr. Shou Xuancheng

Mr. Shou Xuancheng, aged 66, is an executive Director. He joined the Group as the vice president of the Company in July 2014 and was appointed as a non-executive director on 8 September 2015 and has been re-designated from a non-executive Director to an executive Director on 17 November 2015. He holds a Master Degree in Petroleum Engineering Management and a Doctor Degree in Petroleum Reservoir Management from China University of Petroleum. He held senior positions in group of companies in China National Petroleum Corporation from 1985 to 2004 and has over 44 years' experience in oil and gas industry. He was the secretary to the board of PetroChina Company Limited ("PetroChina")(stock code: 857) from September 1999 to August 2001 and the chief executive officer of PetroChina International Co., Ltd., a wholly owned subsidiary of PetroChina, from September 2001 to December 2004. He was also the vice chairman and executive director of CITIC Resources Holdings Limited ("CITIC Resources") (stock code: 1205) from September 2005 to October 2009 and has been an independent non-executive director of CITIC Resources since July 2014. He was also the senior vice president of MIE Holdings Corporation (stock code: 1555) till July 2014.

Saved as aforesaid, as at the Latest Practicable Date Mr. Shou 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.

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

There is no service contract between the Company and Mr. Shou. His annual director's remuneration was HK\$360,000 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. Shou.

Mr. Xu Zucheng

Mr. Xu Zucheng, aged 63, is an executive Director. He was appointed as an executive director on 17 November 2015. He graduated from the Geological Department of Northwest University, the PRC, in 1976. Mr. Xu served as Deputy Chief Geologist in PetroChina Coalbed Methane Company Limited since 2008. Prior to the aforesaid position, Mr. Xu worked for the Shaanxi Bureau of Geology and Mineral Resources, the Daqing Oilfield Institute and the Secretariat Office of the Ministry of Petroleum. He was also the Head of Reserve and Mining Right Divisions of PetroChina Exploration & Production Company. Mr. Xu has substantial experience in oil and gas exploration and mining right management. He was also awarded the second prize of Science and Technology of the Ministry of Land and Resources. Mr. Xu was the executive director of Sino Oil and Gas Holdings Limited (stock code: 702) from March 2012 to June 2013.

Saved as aforesaid, as at the Latest Practicable Date Mr. Xu 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.

There is no service contract between the Company and Mr. Xu. He is not entitled any remuneration for his appointment as executive Director.

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. Xu.

Ms. Wang Qian

Ms. Wang Qian, aged 40, is an executive Director. She was appointed as an executive director on 26 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 IPOs 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. Ms. Wang received her Master of Business Administration degree from the Carnegie Mellon University in the USA in May 2004.

Saved as aforesaid, as at the Latest Practicable Date Ms. 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. She 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.

There is no service contract between the Company and Ms. Wang. She is not entitled any remuneration for her appointment as executive Director.

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.

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 1,620,000,000 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 will be 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 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 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 financial position as at 31 December 2015 (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 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 Repurchase 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 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 <i>HK\$</i>	Lowest <i>HK\$</i>
2015		
April	1.228	0.946
May	1.660	1.087
June	1.370	1.062
July	1.220	0.847
August	1.145	0.790
September	0.950	0.490
October	0.660	0.520
November	0.660	0.600
December	0.900	0.620
2016		
January	1.160	0.860
February	1.400	1.000
March	1.480	1.080
April (up to the Latest Practicable Date)	1.810	1.200

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 (1) Sky Circle International Limited (which is wholly owned by Mr. Wang Dayong) (“Sky Circle”), is interested in 411,514,702 Shares (approximately 25.40% of the issued share capital of the Company); (2) Harvest Gain Investments Limited (“Harvest Gain”), which is wholly owned by Mr. Sun Zhong, is interested in 364,500,000 Shares (approximately 22.50% of the issued share capital of the Company); and (3) Legend Vantage Limited (“Legend Vantage”), which is wholly owned by Mr. Li Guangrong, is interested in 177,276,883 Shares (approximately 10.94% 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, Harvest Gain and Legend Vantage would be increased to approximately 28.22%, 25.00% and 12.16% 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 general offer under the Takeovers Code. The Directors have no intention to exercise the Repurchase Mandate which would render any Shareholder or group of Shareholders obliged to make a general mandatory offer under 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.

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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)

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, 3 June 2016 at 3rd Floor, No. 8 Queen’s Road Central, 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 2015.
2. (A) To re-elect Mr. Wang Dayong as an executive director of the Company;
(B) To re-elect Mr. Sun Zhong as an executive director of the Company;
(C) To re-elect Mr. Shou Xuancheng as an executive director of the Company;
(D) To re-elect Mr. Xu Zucheng as an executive director of the Company;
(E) To re-elect Ms. Wang Qian as an executive director of the Company; and
(F) 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.

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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 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 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-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 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

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- (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 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;

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- (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 repurchased 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
- (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.”

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- (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 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 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.”
5. “**THAT** subject to and conditional upon the Listing Committee of The Stock Exchange of Hong Kong Limited granting listing of, and permission to deal in, the shares of HK\$0.10 each in the share capital of the Company (representing a maximum of 10% of the shares in issue as at the date of the passing of this resolution) to be issued pursuant to the exercise of options which may be granted under the Company’s share option scheme adopted on 16 December 2011 (the “Scheme”), the refreshment of the scheme limit on grant of options under the Scheme and any other scheme(s) of the Company up to 10% of the shares of the Company in issue as at the date of the passing of this resolution (the “Refreshed Mandate Limit”) be and is hereby approved and that the directors of the Company be and are hereby authorised, from time to time, to grant options under the Scheme up to the Refreshed Mandate Limit, to exercise all powers of the Company to allot, issue and deal with ordinary shares of the Company pursuant to the exercise of such options and to do such acts and execute such documents for or incidental to such purpose.”

By order of the Board of
HUILI RESOURCES (GROUP) LIMITED
Wang Dayong
Chairman

Hong Kong, 29 April 2016

Registered Office and Principal Place of Business in Hong Kong:
3rd Floor
No. 8 Queen’s Road Central
Hong Kong

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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 Level 22, Hopewell Centre, 183 Queen's Road East, 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.