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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 PROVISION OF FINANCIAL ASSISTANCE AND  
ADVANCE TO AN ENTITY**

**LOAN AGREEMENT**

On 11 December 2018, the Subsidiary, as lender, and Shenzhen Danfeng, as borrower, entered into the Loan Agreement in relation to the Loan.

**LISTING RULES IMPLICATIONS**

As certain of the applicable percentage ratios (as defined under the Listing Rules) in respect of the provision of the Loan exceed 5% but all of them are less than 25%, the provision of the Loan constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is subject to the reporting and announcement requirements but exempt from the Shareholders' approval requirement.

As the amount of the financial assistance granted to Shenzhen Danfeng exceeds 8% under the assets ratio as defined under Rule 14.07 of the Listing Rules, the grant of the Loan constitutes an advance to an entity under Rule 13.13 of the Listing Rules and is therefore subject to the general disclosure obligations under Rule 13.15 of the Listing Rules.

## LOAN AGREEMENT

On 11 December 2018, the Subsidiary, as lender, and Shenzhen Danfeng, as borrower, entered into the Loan Agreement in relation to the Loan.

The principal terms of the Loan Agreement are summarized below.

Principal amount of the Loan:	RMB100,000,000
Interest:	7% per annum, payable on maturity
Drawdown period:	available for drawdown on any day after the date of the Loan Agreement
Maturity date:	the date falling on the end of the three-months period from the date of the drawdown (the “ <b>Maturity Date</b> ”) (subject to extension of an additional 6 months period upon request from Shenzhen Danfeng and consent by the Subsidiary subject to compliance with the Listing Rules (the “ <b>Extension</b> ”))
Event of default:	<p>Upon the occurrence of any one of the following events, the Subsidiary has the right to declare the Loan together with the accrued interests to be immediately due and payable:</p> <ul style="list-style-type: none"><li>(i) the representation by Shenzhen Danfeng are untrue and inaccurate;</li><li>(ii) breach of any provision of the Loan Agreement;</li><li>(iii) any delay in performing the obligations of Shenzhen Danfeng under the Loan Agreement, provided that such default is not remedied by Shenzhen Danfeng after notice by the Subsidiary;</li><li>(iv) any material adverse change to the business operation, financial condition and credit status of Shenzhen Danfeng;</li><li>(v) any material litigation and debt claim against Shenzhen Danfeng; and</li></ul>

- (vi) any other event which will constitute a material impact to the financial condition or affect the repayment obligation of Shenzhen Danfeng under the Loan Agreement.

The terms of the Loan (including the interest rate) were arrived at by the parties thereto after arm's length negotiations, with reference to prevailing commercial practice, the financial position of Shenzhen Danfeng and the amount of the Loan.

To secure the repayment obligations of Shenzhen Danfeng for the Loan, Shenzhen Danfeng agreed to pledge as collateral all of its cash receivables arising from the business operation of the hotel premises namely 999 Royal Suites and Towers located in Shenzhen City, the PRC and hold such collateral money in the Escrow Account.

## **REASONS AND BENEFITS FOR THE LOAN**

Taking into the account that the Loan will generate an immediate short-term interest income to the Group, the Board considers that the Loan Agreement was entered under normal commercial terms and that the terms of the Loan Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

## **INFORMATION ON THE PARTIES**

### **(1) The Company and the Subsidiary**

The Company is an investment holding company and its subsidiaries are principally engaged in the mining, ore processing, sales of nickel, copper, lead, zinc and gold products, financial service business, engineering service and other related services and trading of materials for oil and gas exploration in the PRC. The Subsidiary is a company established in the PRC with limited liability and an indirect wholly owned subsidiary of the Company and is principally engaged in financial service business.

### **(2) Shenzhen Danfeng**

Shenzhen Danfeng is principally engaged in the provision of hotel services.

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, Shenzhen Danfeng and its ultimate beneficial owner are third parties independent of the Company and its connected persons.

## **LISTING RULES IMPLICATIONS**

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As the amount of the financial assistance granted to Shenzhen Danfeng exceeds 8% under the assets ratio as defined under Rule 14.07 of the Listing Rules, the grant of the Loan constitutes an advance to an entity under Rule 13.13 of the Listing Rules and is therefore subject to the general disclosure obligations under Rule 13.15 of the Listing Rules.

## **GENERAL**

As no Director has a material interest in the Loan, none of the Directors has abstained from voting on the relevant resolutions of the Board approving the terms of the Loan.

## **DEFINITIONS**

In this announcement, the following expressions shall have the meanings set out below unless the context requires otherwise:

“Board”	the board of Directors;
“Company”	Huili Resources (Group) Limited, a company incorporated in the Cayman Islands with limited liability, the issued Shares of which are listed on the main board of the Stock Exchange and are currently subject to suspension of trading (Stock Code: 1303);
“connected person(s)”	has the meaning ascribed to it under the Listing Rules;
“Director(s)”	director(s) of the Company;
“Escrow Account”	a bank account jointly controlled by the Subsidiary and Shenzhen Danfeng in the PRC;
“Group”	the Company and its subsidiaries;
“Hong Kong”	the Hong Kong Special Administrative Region of the People's Republic of China;

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Loan”	A loan in the principal amount of RMB100,000,000 at an interest rate of 7% per annum which will be due on the Maturity Date;
“Loan Agreement”	the loan agreement dated 11 December 2018 entered into between the Subsidiary and Shenzhen Danfeng in respect of the Loan;
“PRC”	the People’s Republic of China which, for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan;
“RMB”	Renminbi, the lawful currency of the PRC;
“Shareholder(s)”	shareholder(s) of the Company;
“Shenzhen Danfeng”	Shenzhen Sanjiu Danfeng Bailu Hotel Commonweal Co., Ltd.*( 深圳市丹楓白露酒店公寓有限公司), a company established in the PRC with limited liability;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Subsidiary”	嘉屹融資租賃有限公司 (Jiayi Financial Leasing Co Ltd.*), a company established in the PRC with limited liability and is an indirect wholly-owned subsidiary of the Company; and
“%”	per cent.

On behalf of the Board  
**Huili Resources (Group) Limited**  
**Li Xiaobin**  
*Chairman*

Hong Kong, 11 December 2018

*As at the date of this announcement, the executive Directors are Mr. Li Xiaobin, Ms. Wang Qian, Mr. Liu Huijie and Ms. Jia Dai and the independent non-executive Directors are Mr. Cao Shiping, Ms. Xiang Siying and Ms. Huang Mei.*

\* for identification purpose only