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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)

STRATEGIC COOPERATION FRAMEWORK AGREEMENT

The Board is pleased to announce that the Company entered into a non-binding Strategic Cooperation Framework Agreement with CITIC Merchant on 18 September 2013, pursuant to which the Company and CITIC Merchant agreed to form a strategic alliance for the joint development of and investment in mineral resources.

The Board wishes to emphasise that the cooperation referred in the Strategic Cooperation Framework Agreement is still at a preliminary stage. Both parties will further negotiate on the detailed terms of the cooperation, and further announcement will be made by the Company in due course pursuant to the requirements of the Listing Rules.

STRATEGIC COOPERATION FRAMEWORK AGREEMENT

The board (the “Board”) of directors (the “Directors”) of Huili Resources (Group) Limited (the “Company”, together with its subsidiaries, hereinafter the “Group”) is pleased to announce that the Company entered into a non-binding strategic cooperation framework agreement (the “Strategic Cooperation Framework Agreement”) with CITIC Merchant Co., Limited (“CITIC Merchant”) on 18 September 2013, pursuant to which the Company and CITIC Merchant agreed to form a strategic alliance for the joint development of and investment in mineral resources.

The following principal terms are set out in the Strategic Cooperation Framework Agreement:

- (1) both parties agreed to jointly explore, develop, merge and acquire domestic and overseas mineral resources, and, if necessary, CITIC Merchant could assist in providing necessary technical and financial supports to the Company;
- (2) CITIC Merchant will provide technical supports for the nonferrous mineral resources projects owned by the Company, including provision of assistance to the Company's financial advisor in optimising the structure of financing and introducing strategic partners;
- (3) the parties will jointly establish a working team to perform due diligence on the gold mine project in the Republic of Ghana (the "Ghana Gold Mine Project") proposed to be acquired by the Company, and CITIC Merchant will assist in providing financial supports for this project;
- (4) the parties will jointly establish a committee to perform due diligence on the resources projects recommended by CITIC Merchant, and CITIC Merchant will serve as the strategic consultant of the Company;
- (5) CITIC Merchant intends to become a strategic shareholder of the Company in respect of, including but not limited to, the subscription of the convertible bonds or shares to be issued by the Company or the provision of financing supports, for which the arrangement and agreements thereof will be negotiated and signed, respectively, by both parties; and
- (6) in the event that the ordinary shares in issue and/or ordinary shares in issue upon full conversion of convertible bonds held by CITIC Merchant exceed 5% of the issued shares of the Company, CITIC Merchant will recommend a professional with extensive experience in financing to act as a director of the Company, subject to the approvals of the Board and the Stock Exchange of Hong Kong (the "Stock Exchange").

The valid term of the Strategic Cooperation Framework Agreement is three years and may be further extended as agreed by both parties.

INFORMATION ABOUT CITIC MERCHANT

To the knowledge, information and belief of the Directors, CITIC Merchant is a member of the CITIC Group, who provides an integrated merchant banking service and related investment platform. It has unique experience in cross-border and cross-market transactions, and has strong pipeline in energy and resources sectors. By leveraging on its extensive corporate and financial network, it provides clients with integrated total solutions to meet their financing needs. CITIC Merchant is a third party independent of the Company and its connected persons (as defined in the Listing Rules of the Stock Exchange) of the Company.

REASONS FOR ENTERING INTO THE STRATEGIC COOPERATION FRAMEWORK AGREEMENT

By virtue of entering into the Strategic Cooperation Framework Agreement, CITIC Merchant will provide assistance for the Group to obtain financing. As such, establishing strategic alliance with CITIC Merchant will enable the Group to utilise the business network and resources of CITIC Merchant, so as to further develop its domestic and overseas mineral businesses, including the proposed acquisition of the Ghana Gold Mine Project.

In view of the above factors, the Directors consider that the terms of the Strategic Cooperation Framework Agreement, which have been negotiated on an arm's length basis and on normal commercial terms, are fair and reasonable and in the interests of the Company and its shareholders as a whole.

The Board wishes to emphasize that the cooperation referred in the Strategic Cooperation Framework Agreement is still at a preliminary stage. Both parties will further negotiate about the detailed terms of the cooperation, and further announcement will be made by the Company in due course pursuant to the requirements of the Listing Rules.

Shareholders and potential investors of the Company are urged to exercise caution when dealing in the shares of the Company.

By order of the Board
Huili Resources (Group) Limited
WANG Dayong
Chairman

Hong Kong, 18 September 2013

As at the date of this announcement, the executive Directors are Mr. Wang Dayong, Mr. Wang Feng, Mr. Lu Qi, Mr. Zhao Guangsheng, Mr. Wu Guangsheng, Mr. Zhao Bochen, Mr. Ma Boping and Mr. Sun Zhong, and the independent non-executive Directors are Mr. Cao Shiping, Mr. Cao Kuangyu, Mr. Sin Lik Man and Mr. Zhou Mei-Fu.