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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)

INSIDE INFORMATION POSITIVE PROFIT ALERT

This announcement is made by Huili Resources (Group) Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong).

Based on preliminary assessment of the consolidated management accounts of the Group for the year ended 31 December 2022 (the “**Year**”) and other information available to the Group, the board (the “**Board**”) of directors (the “**Directors**”) of the Company wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that the Group is expected to record a net profit of more than approximately RMB170 million for the Year, against the net loss of approximately RMB16.8 million for the year ended 31 December 2021 (the “**Prior Year**”).

The Board considers that the expected significant increase in profit for the Year is mainly attributable to the following factors:

1. due to the strong coal demand in the domestic coal market in the 2022, the average selling prices of the Group’s coal products increased during the Year as compared with the Prior Year;
2. the increase in sales volume of the Group’s coal product during the Year as compared to the Prior Year;

3. the synergy contribution from the Group's newly acquired company, Shanxi Fanpo Clean Energy Technology Company Limited* through broadening the Group's customers base and providing value added service to the Group's customers;
4. the unrealized foreign exchange gain from the financial assets denominated in USD and HKD as the result of the appreciation of USD and HKD against RMB, being the Group's functional and presentation currency; and
5. the effective stringent cost controls continuously implemented by the Group.

The information contained in this announcement is only based on the preliminary assessment and estimates made by the Board with reference to the unaudited financial information of the Group for the Year and other information currently available to the Group, and is not based on any information or figures which have been audited or reviewed by the Company's auditors and the audit committee of the Company and may be subject to possible adjustments. The Group's annual results for the Year may differ from the information contained in this announcement. Further details of the Group's financial results and performance for the Year will be disclosed in the Company's annual results announcement for the Year to be published by end of March 2023 in compliance with the Listing Rules.

Further announcements will be made by the Company if there is any significant change in the expected interim results of the Group for the Year as disclosed in this announcement.

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

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

Hong Kong, 17 March 2023

As at the date of this announcement, the executive Directors are Mr. Cui Yazhou (Chairman), Ms. Wang Qian, Mr. Ye Xin and Mr. Zhou Jianzhong; the non-executive Director is Mr. Cao Ye; and the independent non-executive Directors are Mr. Chan Ping Kuen, Ms. Xiang Siying and Ms. Huang Mei.

* For identification purpose only