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CHINA BILLION RESOURCES LIMITED

中富資源有限公司

(incorporated in the Cayman Islands with limited liability)

(stock code: 274)

UPDATE PROGRESS IN RELATION TO THE CONVERTIBLE BONDS DUE 2019

This is a voluntary announcement made by China Billion Resources Limited (“**Company**”).

Reference is made to the announcements of the Company dated 23 August 2019 and 23 October 2019 in relation to the Company’s settlement arrangements with holders of three convertible bonds which fell due on 23 May 2019 (“**Maturity Date**”), upon which date the rights to conversion ceased. As at the date of this announcement, the Company has settled with two of three such holders of convertible bonds.

On 27 March 2020, the Company entered into a settlement agreement (“**Settlement Agreement**”) with Mr. Wu Yuexin (“**Mr. Wu**”), being the only remaining holder of the convertible bonds, for the settlement of the amount due to him as at the Maturity Date, i.e. HK\$18,161,039.18, being the principal amount and interest accrued under the bonds up to the Maturity Date (“**Maturity Overdue Amount**”). As at the date of the Settlement Agreement, the amount due to Mr. Wu was HK\$17,702,393.50.

Under the Settlement Agreement,

- (a) the Maturity Overdue Amount will, to the extent not already repaid by the Company, continue to accrue interest at 10% per annum from the Maturity Date (inclusive) until the date of the annual general meeting to be held by the Company in 2020;
- (b) the Company is required to repay in cash HK\$5,000,000 on or before 30 March 2020 (HK\$2,000,000 of which has already been repaid by the Company) and another HK\$5,000,000 on or before 30 April 2020 and may, in its absolute discretion, elect to repay the remaining either in cash or by the issue of new Shares to Mr. Wu as settlement shares by 30 June 2020. If the Company elects to issue settlement Shares, the Company and Mr. Wu will enter into a supplemental agreement to confirm the terms of such issue and further announcement will be made by the Company in due course.

To the best of the Directors’ knowledge, information and belief having made all reasonable enquiry, as at the date of this announcement, Mr. Wu is a third party independent of the Company and its connected persons (as defined in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited).

By order of the board of directors of
China Billion Resources Limited
Qiao Bingya
Chairman of the Board

Hong Kong, 27 March 2020

As at the date of this announcement, the Board comprises:

Executive directors:

Mr. Qiao Bingya (*Chairman of the Board*)
Mr. Zhang Yiwen (*Chief executive officer*)
Mr. Xie Qiangming

Independent non-executive directors:

Mr. Cai Jianhua
Mr. Ho Wing Chung
Mr. Yan Xiaotian