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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)

INSIDE INFORMATION ANNOUNCEMENT IN RELATION TO THE CONVERTIBLE BONDS DUE 2019

The board of directors (“**Board**”) of China Billion Resources Limited (“**Company**” together its subsidiaries collectively referred as “**Group**”) announces that the unsecured 10% convertible bonds in the aggregated principal amount of approximately HK\$53,417,356 with a term of three years issued by the Company to three creditors (“**Creditors**”) on 24 May 2016 (“**2016 Convertible Bonds**”) matured on 23 May 2019 (“**Maturity Date**”). Pursuant to the terms and conditions of the 2016 Convertible Bonds, the outstanding principal amount and the interest accrued thereon shall, unless previously converted into shares of the Company (“**Shares**”) or purchased or redeemed in accordance with the terms and conditions stated therein, be repaid or redeemed by the Company on the Maturity Date. As at the date of this announcement, no Shares have been converted, purchased or redeemed pursuant to the terms and conditions of the 2016 Convertible Bonds on or before the Maturity Date.

The Board is in the process of negotiating with the Creditors three proposals for the 2016 Convertible Bonds: (i) the possibility of extending the 2016 Convertible Bonds; (ii) refinancing from other investor(s) to repay or redeem the 2016 Convertible Bonds; and (iii) if proposal (i) or (ii) is not satisfied or accepted by the Creditors, the settlement arrangement and repayment schedules of the total outstanding principal amount and the interest accrued of the 2016 Convertible Bonds. As at the date of this announcement, no conclusion has been reached between the Creditors and the Company. The Board opined that this incident should not have a material impact on the Company’s business operation and the substantial shareholders of the Company have also issued letters of financial support to the Company. The Company will publish further announcement(s) to inform the shareholders of the Company of the progress of the negotiation as and when appropriate.

This announcement is made by the Board pursuant to the provisions of inside information under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong) and Rules 13.09 and 13.19 of the Listing Rules.

By order of the Board of
China Billion Resources Limited
Long Xiaobo
Chairman of the Board

Hong Kong, 4 June 2019

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

Executive directors:

Mr. Long Xiaobo (*Chairman of the Board*)

Mr. Zuo Weiqi (*Chief executive officer*)

Mr. Chen Yi-chung

Mr. Xiao Jie

Mr. Zhang Li

Mr. Zhang Yiwen

Non-executive directors:

Mr. Zhang Jing

Mr. Zhang Wei

Independent non-executive directors:

Mr. Cai Jianhua

Mr. Ho Wing Chung

Mr. Xie Qiangming