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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)

UNAUDITED ANNUAL RESULTS ANNOUNCEMENT
FOR THE YEAR ENDED 31 DECEMBER 2020

The Board announces the unaudited consolidated annual results of the Group for the financial year ended 31 December 2020 together with the audited comparative figures for the previous financial year ended 31 December 2019 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2020

	<i>Notes</i>	2020 <i>HK\$'000</i> (unaudited)	2019 <i>HK\$'000</i> (audited)
Revenue	5	57,152	44,556
Cost of sales		<u>(30,298)</u>	<u>(25,476)</u>
Gross profit		26,854	19,080
Other income		1,875	1,348
Administrative expenses		(33,678)	(37,340)
Other expenses	6	<u>(120,762)</u>	<u>(87,736)</u>
Loss from operations		(125,711)	(104,648)
Finance costs	7	<u>(43,818)</u>	<u>(21,482)</u>
Loss before tax		(169,529)	(126,130)
Income tax credit	8	<u>6,256</u>	<u>7,862</u>

	<i>Notes</i>	2020 HK\$'000 (unaudited)	2019 HK\$'000 (audited)
Loss for the year	9	<u>(163,273)</u>	<u>(118,268)</u>
Other comprehensive income/(loss):			
<i>Items that will not be reclassified to profit or loss:</i>			
Fair value changes of equity investment at fair value through other comprehensive income		2,853	–
<i>Items that may be reclassified to profit or loss:</i>			
Exchange differences on translating foreign operations		<u>11,185</u>	<u>(4,186)</u>
Other comprehensive income/(loss) for the year		<u>14,038</u>	<u>(4,186)</u>
Total comprehensive loss for the year		<u><u>(149,235)</u></u>	<u><u>(122,454)</u></u>
Loss for the year attributable to:			
Owners of the Company		(108,567)	(98,434)
Non-controlling interests		<u>(54,706)</u>	<u>(19,834)</u>
Loss for the year		<u><u>(163,273)</u></u>	<u><u>(118,268)</u></u>
Total comprehensive loss attributable to:			
Owners of the Company		(92,228)	(102,294)
Non-controlling interests		<u>(57,007)</u>	<u>(20,160)</u>
Total comprehensive loss		<u><u>(149,235)</u></u>	<u><u>(122,454)</u></u>
Loss per share (HK cents)			
Basic	10	<u><u>(10.03)</u></u>	<u><u>(10.99)</u></u>
Diluted	10	<u><u>N/A</u></u>	<u><u>N/A</u></u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2020

	<i>Notes</i>	2020 <i>HK\$'000</i> (unaudited)	2019 <i>HK\$'000</i> (audited)
Non-current assets			
Property, plant and equipment		114,917	78,303
Right-of-use assets		3,752	1,010
Mining right	<i>11</i>	75,746	107,326
Equity investment at fair value through other comprehensive income	<i>12</i>	60,058	–
Loan receivables	<i>14</i>	–	16,128
		254,473	202,767
Current assets			
Trade and other receivables	<i>13</i>	18,400	41,546
Loan receivables	<i>14</i>	91,003	92,685
Bank and cash balances		9,307	42,497
		118,710	176,728
Current liabilities			
Trade and other payables	<i>15</i>	36,812	52,221
Contract liabilities		10,946	–
Borrowings	<i>16</i>	53,655	51,120
Lease liabilities		2,476	1,035
Other borrowings	<i>17</i>	112,575	–
		216,464	104,376
Net current (liabilities)/assets		(97,754)	72,352
Total assets less current liabilities		156,719	275,119
Non-current liabilities			
Borrowings	<i>16</i>	141,873	66,361
Lease liabilities		1,690	–
Other borrowings	<i>17</i>	–	106,575
Deferred tax liabilities		11,802	17,191
		155,365	190,127
NET ASSETS		1,354	84,992
Capital and reserves			
Share capital	<i>18</i>	12,627	210,485
Reserves		235,579	(51,579)
Equity attributable to owners of the Company		248,206	158,906
Non-controlling interests		(246,852)	(73,914)
TOTAL EQUITY		1,354	84,992

CONSOLIDATED STATEMENT OF CHANGE IN EQUITY

For the year ended 31 December 2020

	Attributable to owners of the Company						Total	Non- controlling interests	Total
	Share capital	Share premium	Capital redemption reserve	Foreign currency translation reserve	Equity investment revaluation reserves	(Accumulated losses)/ retained earning			
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
At 1 January 2019 (audited)	175,449	488,361	300	30,135	–	(497,512)	196,733	(53,754)	142,979
Issue of settlement shares (<i>note 18(i)</i>)	14,036	12,631	–	–	–	–	26,667	–	26,667
Issue of subscription shares (<i>note 18(ii)</i>)	21,000	16,800	–	–	–	–	37,800	–	37,800
Total comprehensive loss for the year	–	–	–	(3,860)	–	(98,434)	(102,294)	(20,160)	(122,454)
At 31 December 2019 (audited)	<u>210,485</u>	<u>517,792</u>	<u>300</u>	<u>26,275</u>	<u>–</u>	<u>(595,946)</u>	<u>158,906</u>	<u>(73,914)</u>	<u>84,992</u>
At 1 January 2020 (audited)	210,485	517,792	300	26,275	–	(595,946)	158,906	(73,914)	84,992
Capital reorganisation (<i>note 18 (iii)</i>)	(199,961)	(517,792)	–	–	–	717,753	–	–	–
Issue of settlement shares (<i>note 18 (iv)</i>)	708	8,212	–	–	–	–	8,920	–	8,920
Issue of subscription shares (<i>note 18 (v)</i>)	1,395	12,440	–	–	–	–	13,835	–	13,835
Disposal of partial interest in a subsidiary	–	–	–	–	–	158,773	158,773	(115,931)	42,842
Total comprehensive loss for the year	–	–	–	13,486	2,853	(108,567)	(92,228)	(57,007)	(149,235)
At 31 December 2020 (unaudited)	<u>12,627</u>	<u>20,652</u>	<u>300</u>	<u>39,761</u>	<u>2,853</u>	<u>172,013</u>	<u>248,206</u>	<u>(246,852)</u>	<u>1,354</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2020

1. GENERAL INFORMATION

The Company was incorporated in the Cayman Islands with limited liability. The address of its registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands. The address of its principal place of business was Room 2105, 21st Floor, West Tower, Shun Tak Centre, 168-200 Connaught Road Central, Hong Kong and has been changed to Unit 1802, 18/F., The L Plaza, 367-375 Queen's Road Central, Hong Kong. The Company's shares are listed on the main board of the Stock Exchange.

The Company is an investment holding company. The Company, through its major subsidiaries, is principally engaged in:

- i) gold mining, exploration and trading of gold products;
- ii) provision of money lending services;
- iii) trading of coal; and
- iv) wholesale and trading of frozen meat.

2. GOING CONCERN BASIS

The Group incurred a loss of approximately HK\$163,273,000 for the year ended 31 December 2020 and as at 31 December 2020 the Group had net current liabilities of approximately HK\$97,754,000. These conditions indicate the existence of a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern. Therefore, the Group may be unable to realise its assets and discharge its liabilities in the normal course of business.

These consolidated financial statements have been prepared on a going concern basis, the validity of which depends upon the financial support of the Shareholders, at a level sufficient to finance the working capital requirements of the Group. The Shareholders has agreed to provide adequate funds for the Group to meet its liabilities as they fall due. The Directors are therefore of the opinion that it is appropriate to prepare the consolidated financial statements on a going concern basis. Should the Group be unable to continue as a going concern, adjustments would have to be made to the consolidated financial statements to adjust the value of the Group's assets to their recoverable amounts, to provide for any further liabilities which might arise and to reclassify non-current assets and liabilities as current assets and liabilities, respectively.

3. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

In the current year, the Group has adopted all the new and revised HKFRSs issued by the HKICPA that are relevant to its operations and effective for its accounting year beginning on 1 January 2020. The adoption of these new and revised HKFRSs did not result in significant changes to the Group's accounting policies, presentation of the Group's consolidated financial statements and amounts reported for the current year and prior years.

New standards, amendments and revised conceptual framework not yet adopted

Standards, amendments and revised conceptual framework that have been issued but not yet effective on 1 January 2020 and not been early adopted by the Group are as follows:

		Effective for the financial year beginning on or after
HKFRS 16	Amendments in relation to COVID-19 Related Rent Concessions	1 June 2020
HKFRS 4,7,9 and 16 and HKAS 39	Amendments in relation to Interest Rate Benchmark Reform	1 January 2021
HKFRS 3	Amendments in relation to Reference to the Conceptual Framework	1 January 2022
HKAS 16	Amendments in relation Proceeds before Intended Use	1 January 2022
HKAS 37	Amendments in relation to Onerous Contracts – Cost of Fulfilling a Contract	1 January 2022
HKFRS 17	Insurance Contracts	1 January 2023
HKAS 1	Amendments in relation to Classification of Liabilities as Current or Non-current	1 January 2023
HK – int 5	Amendments in relation to Amendments to HKAS 1	1 January 2023
HKFRS 10 and HKAS 28	Amendments in relation to Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined

Annual Improvements to HKFRSs 2018-2020 Cycle

		Effective for the financial year beginning on or after
HKFRS 1	Subsidiary as a first-time adopter	1 January 2022
HKFRS 9	Fee in the ‘10 percent’ test for derecognition of financial liabilities	1 January 2022
HKFRS 16	Lease incentives	1 January 2022
HKAS 41	Taxation in fair value measurements	1 January 2022

The Group has not applied the new and revised HKFRSs that have been issued but are not yet effective. The Group has already commenced an assessment of the impact of these new and revised HKFRSs but is not yet in a position to state whether these new and revised HKFRSs would have a material impact on its results of operations and financial position.

4. SEGMENT INFORMATION

The Group has three reportable segments as follows:

Mining products segment – engaged in gold mining, exploration and trading of gold products;

Money lending segment – provision of money lending services; and

Trading and wholesale segment – engaged in trading of coal and wholesale and trading of frozen meat.

The Group’s reportable segments are strategic business units that offer different products and services. They are managed separately because each business requires different technology and marketing strategies.

The accounting policies of the operating segments are the same as those used in the preparation of the consolidated financial statements.

Information about reportable segment profits or losses, assets and liabilities:

	Mining products HK\$'000	Money lending HK\$'000	Trading and wholesale HK\$'000	Total HK\$'000
For the year ended 31 December 2020 (unaudited)				
Revenue from external customers	31,715	7,927	17,510	57,152
Segment loss	(136,663)	(3,791)	(255)	(140,709)
Depreciation of property, plant and equipment	11,144	–	–	11,144
Depreciation of right-of-use assets	–	66	–	66
Amortisation of mining right	1,044	–	–	1,044
Interest revenue	7	–	7	14
Interest expense	32,329	6,898	–	39,227
Income tax credit	6,256	–	–	6,256
Additions to segment non-current assets	99,028	228	–	99,256
Impairment loss	116,025	4,737	–	120,762
As at 31 December 2020 (unaudited)				
Segment assets	201,791	91,585	73,776	367,152
Segment liabilities	226,315	94,137	1,424	321,876
For the year ended 31 December 2019 (audited)				
Revenue from external customers	18,377	8,280	17,899	44,556
Segment (loss)/profit	(88,110)	780	(267)	(87,597)
Depreciation of property, plant and equipment	2,694	–	–	2,694
Amortisation of mining right	1,465	–	–	1,465
Interest revenue	5	–	1	6
Interest expense	6,314	7,000	–	13,314
Income tax credit	7,862	–	–	7,862
Additions to segment non-current assets	68,401	–	1	68,402
Impairment loss	87,251	485	–	87,736
As at 31 December 2019 (audited)				
Segment assets	207,900	108,830	21,415	338,145
Segment liabilities	104,033	107,671	13,638	225,342

Reconciliations of reportable segment revenue, profit or loss, assets and liabilities:

	2020 HK\$'000 (unaudited)	2019 <i>HK\$'000</i> (audited)
Revenue		
Total revenue of reportable segments and consolidated revenue	<u>57,152</u>	<u>44,556</u>
Loss		
Total loss of reportable segments	<u>(140,709)</u>	(87,597)
Other loss	<u>(22,564)</u>	(30,671)
Consolidated loss for the year	<u>(163,273)</u>	<u>(118,268)</u>
Assets		
Total assets of reportable segments	<u>367,152</u>	338,145
Other assets	<u>6,031</u>	41,350
Consolidated total assets	<u>373,183</u>	<u>379,495</u>
Liabilities		
Total liabilities of reportable segments	<u>321,876</u>	225,342
Other liabilities	<u>49,953</u>	69,161
Consolidated total liabilities	<u>371,829</u>	<u>294,503</u>

Apart from the above, the total of other material items disclosed in the segment information are the same as the consolidated totals.

Geographical information:

(a) Revenue from external customers

	2020 HK\$'000 (unaudited)	2019 <i>HK\$'000</i> (audited)
Hong Kong	7,927	8,280
PRC	<u>49,225</u>	<u>36,276</u>
	<u>57,152</u>	<u>44,556</u>

In presenting the geographical information, revenue is based on the locations of the customers.

(b) Non-current assets

	2020 HK\$'000 (unaudited)	2019 <i>HK\$'000</i> (audited)
Hong Kong	3,764	1,040
PRC	<u>190,651</u>	<u>185,599</u>
	<u>194,415</u>	<u>186,639</u>

(c) Revenue from major customers

Revenue from major customers individually accounting for 10% or more of total revenue are as follows:

	2020 HK\$'000 (unaudited)	2019 <i>HK\$'000</i> (audited)
Customer A (sales of coal)	12,528	17,899
Customer B (sales of gold products)	2,021*	16,323
Customer C (sales of gold products)	12,251	–
Customer D (sales of gold products)	9,425	–
Customer E (sales of gold products)	8,285	–

* Revenue from the customer did not exceed 10% of total revenue in the respective year. The amount was shown for comparative purpose.

5. REVENUE

	2020 <i>HK\$'000</i> (unaudited)	2019 <i>HK\$'000</i> (audited)
Mining products	31,715	18,377
Trading of coal and wholesale and trading of frozen meat	<u>17,510</u>	<u>17,899</u>
Revenue from contracts with customers	49,225	36,276
Interest income of money lending	<u>7,927</u>	<u>8,280</u>
Total revenue	<u><u>57,152</u></u>	<u><u>44,556</u></u>

Disaggregation of revenue from contracts with customers:

	Mining products <i>HK\$'000</i>	Trading and wholesale <i>HK\$'000</i>	Total <i>HK\$'000</i>
For the year ended 31 December 2020 (unaudited)			
<i>Geographical markets</i>			
PRC	<u>31,715</u>	<u>17,510</u>	<u>49,225</u>
<i>Major products</i>			
Gold products	31,715	–	31,715
Frozen meat	–	4,982	4,982
Coal	<u>–</u>	<u>12,528</u>	<u>12,528</u>
Total	<u>31,715</u>	<u>17,510</u>	<u>49,225</u>
<i>Timing of revenue recognition</i>			
At a point in time	<u>31,715</u>	<u>17,510</u>	<u>49,225</u>
For the year ended 31 December 2019 (audited)			
<i>Geographical markets</i>			
PRC	<u>18,377</u>	<u>17,899</u>	<u>36,276</u>
<i>Major products</i>			
Gold products	18,377	–	18,377
Coal	<u>–</u>	<u>17,899</u>	<u>17,899</u>
Total	<u>18,377</u>	<u>17,899</u>	<u>36,276</u>
<i>Timing of revenue recognition</i>			
At a point in time	<u>18,377</u>	<u>17,899</u>	<u>36,276</u>

Sales of gold products

The Group engaged in gold mining, exploration and trading of gold products. Sales are recognized when control of the products has transferred, being when the products are delivered to a customer, there is no unfulfilled obligation that could affect the customer's acceptance of the products and the customer has obtained legal titles to the products.

Sales to customers are normally made with credit terms of 30 to 180 days. For new customers, deposits or cash on delivery may be required. Deposits received are recognised as a contract liability.

A receivable is recognized when the products are delivered to the customers as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

Trading of coal and wholesale and trading of frozen meat

The Group engaged in trading of coal and wholesale and trading of frozen meat. Sales are recognised when control of the products has transferred, being when the products are delivered to a customer, there is no unfulfilled obligation that could affect the customer's acceptance of the products and the customer has obtained legal titles to the products.

Sales to customers are normally made with credit terms of 30 to 90 days. For new customers, deposits or cash on delivery may be required. Deposits received are recognised as a contract liability.

A receivable is recognised when the products are delivered to the customers as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

6. OTHER EXPENSES

	2020 <i>HK\$'000</i> (unaudited)	2019 <i>HK\$'000</i> (audited)
Impairment loss on property, plant and equipment	68,785	31,385
Impairment loss on prepayments for property, plant and equipment and construction	1,517	2,612
Impairment loss on a former related company	–	5,812
Impairment loss on other receivables	–	4,407
Impairment loss on loan receivables	4,737	485
Impairment loss on mining right	45,344	43,035
Impairment loss on right-of-use assets	379	–
	<u>120,762</u>	<u>87,736</u>

7. FINANCE COSTS

	2020 <i>HK\$'000</i> (unaudited)	2019 <i>HK\$'000</i> (audited)
Interest of Settlement Convertible Bonds	937	6,619
Lease interests	96	106
Loan interests	<u>57,498</u>	<u>22,985</u>
Total borrowing costs	58,531	29,710
Amount capitalised	<u>(14,713)</u>	<u>(8,228)</u>
	<u>43,818</u>	<u>21,482</u>

Borrowing costs on fund borrowed generally are capitalised at a rate of 17% per annum (2019: 57%).

8. INCOME TAX CREDIT

	2020 <i>HK\$'000</i> (unaudited)	2019 <i>HK\$'000</i> (audited)
Deferred tax	<u>6,256</u>	<u>7,862</u>

No provision for Hong Kong Profits Tax is required since the Group has no assessable profit for the year. No provision for Hong Kong Profits Tax has been made in the consolidated financial statement since the group has sufficient tax losses brought forward to set off against current year's assessable profit for the year ended 31 December 2019.

No provision for PRC enterprise income tax is required since the Group has no assessable profit for the year.

The applicable income tax rate for the subsidiaries of the Group in the PRC in the current year is 5%-25% (2019: 5%-25%).

The reconciliation between income tax credit and the product of loss before tax multiplied by the applicable tax rate is as follows:

	2020 <i>HK\$'000</i> (unaudited)	2019 <i>HK\$'000</i> (audited)
Loss before tax	<u>(169,529)</u>	<u>(126,130)</u>
Tax at the domestic income tax rate	(40,138)	(29,931)
Tax effect of income that is not taxable	(249)	(234)
Tax effect of expenses that are not deductible	4,981	7,237
Tax effect of tax losses not recognised	29,150	15,194
Tax effect of utilisation of tax losses not previously recognised	<u>-</u>	<u>(128)</u>
Income tax credit	<u>(6,256)</u>	<u>(7,862)</u>

9. LOSS FOR THE YEAR

The Group's loss for the year is stated after charging the followings:

	2020 HK\$'000 (unaudited)	2019 <i>HK\$'000</i> (audited)
Auditor's remuneration	1,100	880
Amortisation of mining right	1,044	1,465
Cost of sales*	30,298	25,476
Depreciation of right-of-use assets	1,870	2,019
Depreciation of property, plant and equipment	11,162	2,713
Staff costs including directors' emoluments		
Salaries, bonus and allowances	23,591	16,160
Retirement benefits scheme contributions	3,865	1,901

* *Cost of sales include staff costs, depreciation of approximately HK\$10,580,000 (2019: approximately HK\$5,630,000) which are included in the amounts disclosed separately above.*

10. LOSS PER SHARE

Basic loss per share

The calculation of basic loss per share attributable to owners of the Company for the year ended 31 December 2020 is based on the loss for the year attributable to owners of the Company of approximately HK\$108,567,000 (2019 (audited): approximately HK\$98,434,000) and the weighted average number of ordinary shares of 1,082,011,000 (2019 (audited): 896,070,000) in issue during the year.

Diluted loss per share

The effects of all potential ordinary shares are anti-dilutive for the years ended 31 December 2020 and 2019.

11. MINING RIGHT

HK\$'000

Cost

At 1 January 2019 (audited)	1,434,127
Exchange differences	(26,592)

At 31 December 2019 (audited)	1,407,535
Exchange differences	86,226

At 31 December 2020 (unaudited)	1,493,761
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Accumulated amortisation and impairment

At 1 January 2019 (audited)	1,278,879
Amortisation for the year	1,465
Impairment loss for the year	43,035
Exchange differences	(23,170)

At 31 December 2019 (audited)	1,300,209
Amortisation for the year	1,044
Impairment loss for the year	45,344
Exchange differences	71,418

At 31 December 2020 (unaudited)	1,418,015
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Carrying amount

At 31 December 2020 (unaudited)	75,746
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At 31 December 2019 (audited)	107,326
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Mining right includes the cost of acquiring mining licenses, costs transferred from exploration right and exploration and evaluation assets upon determination that an exploration property is capable of commercial production and land compensation costs. Land compensation costs represent the compensation paid to inhabitants for relocating them from the areas nearby the mining sites so that the Group can use the land as leaching piles and dumping areas for waste ores. The mining permit will expire on 31 December 2025. Mining right is amortised over the estimated useful lives of the mines in accordance with the production plans of the entities concerned and the proved and probable reserves of the mines using the units of production method.

The Group carried out reviews of the recoverable amount of its mining right in 2020 as a result of the Group implement continuous maintenance and enhancement works program annually and review the expansion of existing mining locations within current mining right but has not updated a technical report to “upgrade” the reserves and/or resources of the Gold Mine. The reviews of mining right led to the recognition of impairment losses of approximately HK\$45,344,000 (2019 (audited): approximately HK\$43,035,000), which has been recognised in profit or loss. The recoverable amount of the relevant assets of approximately HK\$75,746,000 (2019 (audited): approximately HK\$107,326,000) has been determined on the basis of their fair value less costs of disposal using discounted cash flow method (level 3 fair value measurements).

The key assumptions used for the calculations of fair value less costs of disposal are as follows:

	2020 (unaudited)	2019 (audited)
Discount rate (post-tax discount rate applied to the cash flow projections)	12.66%	12.80%
Years of cash flows projection (expected mining period)	10 years	11 years

Management determined gross margin based on past market prices of the gold and management's estimation of exploitation and production costs. The discount rate used is post-tax and reflects specific risks relating to the relevant assets. Expected mining period is determined based on extractable reserve of the mine and the Group's production capacity. The legal life of mining right can be extended upon maturity to enable the Group to conduct mining activities in the expected mining period.

12. EQUITY INVESTMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	2020 HK\$'000 (unaudited)
Equity securities, at fair value	
Unlisted equity securities	60,058
Analysed as:	
Non-current assets	60,058

Notes:

- (i) The above investments are intended to be held for the medium to long-term. Designation of these investments as equity investments at fair value through other comprehensive income can avoid the volatility of the fair value changes of these investments to the profit or loss.
- (ii) On 20 January 2020, the Group completed an investment in Target Company, which is principally engaged in: (i) comprehensive utilisation of waste resources; (ii) procurement, processing, production and sales of metal scrap and metal-containing waste; (iii) trading in mineral products; and (iv) sales of metal materials. The purchase consideration was settled at a total cash consideration of HKD55,000,000. The fair value of this investment as at 31 December 2020 was approximately HK\$57,853,000, its carrying amount accounts for more than 5% of the Group's total assets as at 31 December 2020. The fair value gain of equity investment at fair value through other comprehensive income for the year ended 31 December 2020 was approximately HK\$2,853,000.

On 25 September 2020, the Group completed another investment in a company, which is principally engaged in online auction. The purchase consideration was settled at a total cash consideration of HK\$2,205,000. The fair value of this investment as at 31 December 2020 was approximate to investment cost.

13. TRADE AND OTHER RECEIVABLES

The Group's trading terms with other customers are mainly on credit. The credit terms generally range from 30 to 180 days. Each customer has a maximum credit limit. For new customers, payment in advance is normally required. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by the directors.

	2020 <i>HK\$'000</i> (unaudited)	2019 <i>HK\$'000</i> (audited)
Trade receivables	7,630	27,625
Prepayments	6,581	2,583
Prepayment for construction	2,178	5,129
Prepayments for property, plant and equipment	354	1,384
Deposits	1,509	999
Other receivables	148	3,826
	<u>18,400</u>	<u>41,546</u>

The aging analysis of trade receivables, based on the invoice date, and net of allowance, is as follows:

	2020 <i>HK\$'000</i> (unaudited)	2019 <i>HK\$'000</i> (audited)
0 – 30 days	661	25,808
31 – 60 days	852	1,601
61 – 90 days	–	–
Over 90 days	6,117	216
	<u>7,630</u>	<u>27,625</u>

The Group applies the simplified approach under HKFRS 9 to provide for expected credit losses using the life time expected loss provision for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The expected credit losses also incorporate forward looking information.

	Current	Over 90 days Past due	Total
At 31 December 2020 (unaudited)			
Weighted average expected loss rate	0%	0%	
Receivable amount (<i>HK'000</i>)	1,513	6,117	7,630
Loss allowance (<i>HK'000</i>)	–	–	–
At 31 December 2019 (audited)			
Weighted average expected loss rate	0%	0%	
Receivable amount (<i>HK'000</i>)	27,409	216	27,625
Loss allowance (<i>HK'000</i>)	–	–	–

14. LOAN RECEIVABLES

	2020 <i>HK\$'000</i> (unaudited)	2019 <i>HK\$'000</i> (audited)
Loan receivables	102,492	115,565
Provision for loss allowance	<u>(11,489)</u>	<u>(6,752)</u>
Carrying amount	<u>91,003</u>	<u>108,813</u>

On 27 November 2018, the Group entered into a loan agreement with a third party (“Borrower A”). Pursuant to the loan agreement, the loan is secured by the 96% shares of the Borrower A and guaranteed by the directors of Borrower A, the principal amount of the loan is HK\$85,000,000 with interest rate of 7.5% per annum and repayable in twelve months. On 9 January 2020, the Group and Borrower A entered into a supplementary agreement to extend the original maturity date under the loan agreement to 25 November 2021, and all other terms and conditions remain unchanged.

On 31 December 2018, the Group entered into a loan agreement with another third party (“Borrower B”). Pursuant to the loan agreement, the loan is secured by the entire interest on the Borrower B and guaranteed by the director of Borrower B, the principal amount of the loan is HK\$15,000,000 with interest rate of 7.5% per annum and repayable in twelve months. On 30 December 2019, the Group and Borrower B entered into a supplementary agreement to extend the original maturity date under the loan agreement from 1 January 2020 to 25 November 2021, and all other terms and conditions remain unchanged.

The Directors monitored the collectability of the loan receivables closely with reference to their respective current creditworthiness.

The maturity profile of loan receivables net of allowance at the end of reporting period, analysed by the remaining period to the contractual maturity date is as follows:

	2020 <i>HK\$'000</i> (unaudited)	2019 <i>HK\$'000</i> (audited)
Within one year	91,003	92,685
In the second year	<u>–</u>	<u>16,128</u>
	<u>91,003</u>	<u>108,813</u>

Reconciliation of loss allowance for loan receivables:

	2020 <i>HK\$'000</i> (unaudited)	2019 <i>HK\$'000</i> (audited)
At 1 January	6,752	6,267
Increase in loss allowance for the year	<u>4,737</u>	<u>485</u>
At 31 December	<u>11,489</u>	<u>6,752</u>

15. TRADE AND OTHER PAYABLES

	2020 <i>HK\$'000</i> (unaudited)	2019 <i>HK\$'000</i> (audited)
Trade payables	1,029	13,618
Accrued liabilities and other payables	35,783	19,589
Amount due to a matured convertible bond holder (<i>note (i)</i>)	–	19,014
	<u>36,812</u>	<u>52,221</u>

The aging analysis of trade payables, based on the date of receipt of goods, is as follows:

	2020 <i>HK\$'000</i> (unaudited)	2019 <i>HK\$'000</i> (audited)
0 – 30 days	128	13,618
31 – 60 days	901	–
	<u>1,029</u>	<u>13,618</u>

Note:

- (i) On 27 March 2020, the Company entered into Wu Settlement Agreement with Creditor B, being the only remaining holder of the convertible bonds, for the settlement of the amount of approximately HK\$18,161,000 (comprising outstanding principal of approximately HK\$13,970,000 and accrued and unpaid interest of approximately HK\$4,191,000) due to him as at the maturity date. The outstanding amount of approximately HK\$18,161,000 continued to accrue interest at 10% per annum from the maturity date. Details of the Wu Settlement Agreement, please refer to the Company's announcement published on the same date.

Up to 29 April 2020, part of the outstanding amount of HK\$10,000,000 (comprising outstanding principal of approximately HK\$8,328,000 and accrued and unpaid interest of approximately HK\$1,672,000) was fully settled by cash.

On 30 June 2020, the Company further entered into a supplemental agreement with Creditor B to extend the final settlement date of the remaining outstanding amount under the settlement agreement to 30 September 2020. On 20 August 2020, the Company received a transfer form signed by Credit B as transferor and Ms. Tung as transferee whereby Creditor B assigned to Ms. Tung all his rights under the Relevant Bonds (as amended by the Wu Settlement Agreement) with respect to the entire outstanding amount of approximately HK\$9,952,000 (comprising outstanding principal of approximately HK\$9,833,000 and accrued and unpaid interest of approximately HK\$119,000 up to 12 June 2020).

On 31 August 2020, the Company entered into Tung Settlement Agreement with Ms. Tung for the settlement of the amount owed by the Company under the Relevant Bonds and the Wu Settlement Agreement, being approximately HK\$9,952,000. The amount was settled in full by the Company by the issue and allotment of 70,789,074 Shares to Ms. Tung at a price of HK\$0.14058 per Share (the closing market price on the issue date was HK\$0.126). The issue of settlement shares was completed on 9 October 2020 and the premium on the issue of shares, amounting to approximately HK\$8,212,000, was credited to the Company's share premium account.

16. BORROWINGS

	2020 <i>HK\$'000</i> (unaudited)	2019 <i>HK\$'000</i> (audited)
Short-term borrowings		
– secured, 24% interest per annum and due within one year (<i>note(i)</i>)	24,479	49,961
– unsecured, 24% interest per annum and due within one year (<i>note (ii)</i>)	1,467	1,159
– secured, 36% interest per annum and due within one year (<i>note (iii)</i>)	27,709	–
	<u>53,655</u>	<u>51,120</u>
Long-term borrowings		
– secured, 36% interest per annum and due within three years (<i>note (iii)</i>)	86,115	59,473
– unsecured, 36% interest per annum and due within three years	55,758	6,888
	<u>141,873</u>	<u>66,361</u>
	<u>195,528</u>	<u>117,481</u>

Notes:

- (i) During 2019, the borrowing is secured by the entire 80% shares of Hunan Westralian held by the Westralian Resources and it is due to Mr. Cai, one of the former directors of Hunan Westralian.

On 10 August 2020, the Company and Westralian Resources, entered into the Settlement Agreement with Mr. Cai. In connection with the settlement arrangements, the Company and Westralian Resources have agreed to sell the 29% equity interest in Hunan Westralian, a company owned as to 80% by Westralian Resources, to Mr. Cai for approximately HK\$42,842,000 (equivalent to RMB38,485,000) to partially settle the outstanding amount owed to Mr. Cai. Mr. Cai has agreed to extend the maturity date to 31 August 2021. The borrowing is secured by the 51% shares of Hunan Westralian as at 31 December 2020.

- (ii) The borrowings are guaranteed by a general manager (“General Manager”) of Hunan Westralian.
- (iii) The borrowing is secured by 35% of mining right owned by Hunan Westralian and guaranteed by 10.4% of shares of Xinhua Choumu Mining Co., Limited owned by the General Manager.

17. OTHER BORROWINGS

The lender has a security interest over the shares of the Company and is deemed to be interested in such shares. The other borrowing is unsecured, 6% interest per annum and maturity date within 12 months. (2019: 24 months).

18. SHARE CAPITAL

	Number of shares '000	Amount HK\$'000
<i>Authorised:</i>		
At 1 January 2019 (audited), 31 December 2019 (audited) and 2020 (unaudited) (25,000,000,000 ordinary shares of HK\$0.01 each)	25,000,000	250,000
<i>Issued and fully paid:</i>		
At 1 January 2019 (audited) (17,544,977,408 ordinary shares of HK\$0.01 each)	17,544,977	175,449
Issue of settlement shares (i)	1,403,509	14,036
Issue of subscription shares (ii)	2,100,000	21,000
At 31 December 2019 (audited) (21,048,486,179 ordinary shares of HK\$0.01 each)	21,048,486	210,485
Capital Reorganisation (iii)	(19,996,062)	(199,961)
Issue of settlement shares (iv)	70,789	708
Issue of subscription shares (v)	139,500	1,395
At 31 December 2020 (unaudited) (1,262,713,382 ordinary shares of HK\$0.01 each)	1,262,713	12,627

- (i) On 23 October 2019, the Company entered into a settlement agreement in respect of issue and allotment of 1,403,508,771 then shares of the Company at a price of HK\$0.01995 per share (the closing market price on the issue date was HK\$0.019) to Creditor A to settle part of convertible bonds. The issue of settlement shares was completed on 6 November 2019 and the premium on the issue of shares, amounting to approximately HK\$12,631,000, was credited to the Company's share premium account.
- (ii) On 27 November 2019, the Company entered into one subscription agreement with each of the three subscribers, pursuant to which the subscribers subscribed for a total of 2,100,000,000 then shares of the Company at a price of HK\$0.018 per share. The share subscription was completed on 4 December 2019 and the premium on the issue of shares, amounting to approximately HK\$16,800,000, was credited to the Company's share premium account.
- (iii) On 27 November 2019, The Board proposed to implement the capital reorganisation involving (1) Share Consolidation: consolidation of every twenty issued and unissued shares into one Consolidated Share; and (2) Capital Reduction: (i) reduction of issued capital thereby the par value of each issued Consolidated Share reduced from HK\$0.20 to HK\$0.01; (ii) subdivision of each authorised but unissued Consolidated Share of par value of HK\$0.20 into 20 unissued Adjusted Shares; and (iii) application of the credit standing to the credit of the share premium account of the Company in and towards setting off of part of the accumulated deficit of the Company. The Capital Reorganisation was completed on 16 March 2020.

- (iv) On 31 August 2020, the Company entered into Tung Settlement Agreement with Ms. Tung for the settlement of the amount owed by the Company under the Relevant Bonds and the Wu Settlement Agreement, being approximately HK\$9,952,000. The amount was settled in full by the Company by the issue and allotment of 70,789,074 Shares to Ms. Tung at a price of HK\$0.14058 per Share (the closing market price on the issue date was HK\$0.126). The issue of settlement shares was completed on 9 October 2020 and the premium on the issue of shares, amounting to approximately HK\$8,212,000, was credited to the Company's share premium account.
- (v) On 9 November 2020, the Company entered into one subscription agreement with each of the three subscribers, pursuant to which the subscribers subscribed for a total of 139,500,000 Shares at a price of HK\$0.09918 per Share. The issue of subscription shares was completed on 27 November 2020 and the premium on the issue of shares, amounting to approximately HK\$12,440,000, was credited to the Company's share premium account.

The Group's objectives in managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for Shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to Shareholders, return capital to Shareholders, issue new shares or sell assets to reduce debt.

The Directors will periodically review the capital structure, including the cost of capital and the risks associates with each class of capital. Based on the recommendations of the Directors, the Company will consider and, if appropriate, adopt different alternatives such as issuing new shares, obtaining new debt or redeeming of existing debt to balance its overall capital structure.

19. EVENTS AFTER THE REPORTING PERIOD

At the request of the Company, trading in its shares on the Stock Exchange was halted with effect from 9:00 a.m. on 1 March 2021, pending the release of an announcement pursuant to The Code on Takeovers and Mergers.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS AND FINANCIAL REVIEW

The Group is principally engaged in three business segments: (i) gold mining, exploration and trading of gold products in the PRC; (ii) provision of money lending services in Hong Kong; (iii) trading of coals and wholesale and trading of frozen meat in the PRC.

BUSINESS REVIEW

Mining Products

The outbreak of the COVID-19 at the end of 2019 has had impact on the production of the Gold Mine in 2020. Facing adverse factors such as production and transportation restrictions as well as difficulties of personnel in returning to mine sites, the Gold Mine temporarily suspended the production in the first quarter of 2020 (resumed since August 2020) to cooperate with the emergency COVID-19 prevention and control measures announced by the Chinese government to ensure employee safety.

Hunan Westralian developed in 2017 a mine enhancement project to enhance the quality of output of its Gold Mine. This project involved (i) mining technical reform in the east mining area of the Gold Mine which was completed in 2019, (ii) technological upgrading of an existing ore processing plant to enable it to achieve production capacity of 150 tons/day which was completed in 2020; (iii) a construction and bringing into operation of new ore processing plant with designed capacity of 500 tons/day which is targeted to be fully operational by the end of 2022; and (iv) the expansion of the tailings processing and storage yard, the works for which is scheduled for completion by the end of 2021. Hunan Westralian continues to implement continuous maintenance and enhancement works program annually and review the expansion of existing mining locations within current mining right (valid until 31 December 2025). In addition, it has also commissioned the exploration of the Jiufa mining area that is in the vicinity of the new processing plant that is being built.

Planned production and sales of gold bullion and concentrate by Hunan Westralian commenced in August 2020 following the relaxation by the local government of COVID-19 pandemic related access restrictions, Hunan Westralian has generated and sold 60,289g of gold products to customers that are engaged in metal trading operations on site, based on the weighted average trading price for gold (Au99.99) published by the Shanghai Gold Exchange and on immediate payment against delivery basis.

Based on (i) the aggregate of the probable reserves and 50% of the inferred resources of the Gold Mine as of 31 March 2015 (stated in the independent technical review updated report prepared by SRK in May 2015) less (ii) the aggregate of 50% of gold from sub-mining ores produced from the mine enhancement projects and other works and 100% of the gold output on a planned production basis in 2020, Hunan Westralian estimates that the remaining reserves and resources will support just over 14 years of operating at full capacity by the existing processing plant and (from November 2022) the new process plant. The Company will look to commission an update technical report at an appropriate time to “upgrade” the reserves and/or resources of the gold mine.

Money Lending Business

As stated in the 2020 Interim Report, the Company has appointed several Directors and management staff to assist the Group in expanding its business through their background and business connection. The Management will continue to study the financial market and identify potential customers.

In November 2019, the Company successfully entered into a loan extension agreement with the financial institution to extend the HK\$100 million unsecured loan facility granted to the Company in year 2018 for further two years. As results of which, the Group entered into two respective supplementary loan agreements with two borrowers in December 2019 and January 2020, respectively, to extend the total of HK\$100 million secured loan facilities for further two years (among which, the details of the HK\$85 million supplementary loan agreement have been set out in the Company's announcement dated 9 January 2020).

Trading of Coal

In the second half of 2020, the coal import restrictions imposed by the Chinese government led to an increase in coal supply prices. Taking into account the relatively low and unattractive profit margin, the Group has adopted a more prudent approach to slow down the pace of development of its trading business, resulting in a decline in the coal trading business in 2020.

Wholesale and Trading of Frozen Meat

Having spent time in 2019 to research into the frozen meat market, the Group established a new subsidiary in PRC to develop the frozen meat products wholesale and trading business in 2020. In the development stage, the Group focuses on selling in good quality frozen meat products. The Group purchases frozen meat products from offshore suppliers and/or domestic trading companies, and mainly sell on a wholesale basis to larger food and beverage group, food processing companies, wholesalers and online food service distributors etc., and assist the customers in arranging delivery logistic.

In 2020, the discovery of the COVID-19 virus in certain imported frozen meat cargos operated by other companies in certain regions of China led to a decline in consumer confidence and demand, and all the importers, including the Group, must comply with the stricter inspection and quarantine measures for imported frozen meat imposed by the Chinese authorities. Nevertheless, the Group is confident that the demand for good quality imported frozen meat will continue to increase to meet China's rising meat consumption. The management of the subsidiary will strive to find customers with stable demand, and stable low-cost supply channel to achieve better profitability.

FINANCIAL REVIEW

During the Reporting Period, the Group's revenue was approximately HK\$57.2 million, representing an increase of approximately 28.3% as compared with approximately HK\$44.6 million for the Corresponding Period. The increase in the Group's revenue was mainly due to increase in revenue generated from mining business segment.

The revenue contributed by the mining products business segment during the Reporting Period was approximately HK\$31.7 million, representing an increase of approximately 72.6% as compared with approximately HK\$18.4 million for the Corresponding Period. The increase was mainly due to mining technical reform in the east mining area of the Gold Mine which was completed in 2019 and technological upgrading of an existing ore processing plant to enable it to achieve an average production capacity of 4,000 tons/month in 2020. The Gold Mine has resumed normal operations since August 2020.

During the Reporting Period, the revenue contributed by money lending business was approximately HK\$7.9 million, representing a decrease of approximately 4.3% as compared with approximately HK\$8.3 million for the Corresponding Period. The decrease in revenue was mainly contributed by early partial settlement from the existing borrowers.

During the Reporting Period, the trading of business was approximately HK\$17.5 million, representing a decrease of approximately 2.2% as compared with approximately HK\$17.9 million for the Corresponding Period. The decrease in revenue was mainly due to the China's import restrictions on coal in 2020, which led to an increase in coal supply prices and a decrease in profit margin, therefore the Group's coal sales decreased in the second half of 2020.

The gross profit for the Reporting Period was approximately HK\$26.9 million, representing an increase of approximately 40.7% as compared with approximately HK\$19.1 million for the Corresponding Period.

The loss for the Reporting Period was approximately HK\$163.3 million, representing an increase of approximately 38.1% as compared with approximately HK\$118.3 million for the Corresponding Period. The increase in loss was mainly due to the impairment loss on property, plant and equipment of approximately HK\$68.8 million, representing an increase of approximately 119.2% as compared with approximately HK\$31.4 million for the Corresponding Period and the increase in finance cost of approximately HK\$22.3 million, representing an increase of approximately 104.0% as compared with approximately HK\$21.5 million for the Corresponding Period.

EXTRACT OF DRAFT INDEPENDENT AUDITOR’S REPORT

The following is the extract of the draft independent auditor’s report from the Auditor:

“Disclaimer of Opinion (“Disclaimer of Opinion”)

We do not express an opinion on the consolidated financial statements of the Group. Because of the significance of the material uncertainty relating to the going concern basis described in the Basis for Disclaimer of Opinion section of our report, it is not possible for us to form an opinion on these consolidated financial statements. In all other respects, in our opinion, the consolidated financial statements have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

Basis for Disclaimer of Opinion

We draw attention to note 2 to the consolidated financial statements which mentions that the Group incurred a loss of approximately HK\$163,273,000 for the year ended 31 December 2020 and as at 31 December 2020 the Group had net current liabilities approximately HK\$97,754,000 during the year. These conditions indicate the existence of a material uncertainty which may cast significant doubt on the Group’s ability to continue as a going concern. The consolidated financial statements have been prepared on a going concern basis, the validity of which depends upon the continued support of substantial shareholders. The consolidated financial statements do not include any adjustments that would result from the failure to obtain the substantial shareholders’ support. We consider that the material uncertainty has been adequately disclosed in the consolidated financial statements. However, in view of the extent of the uncertainty relating to the continued support of the Group’s substantial shareholders, we disclaim our opinion in respect of the material uncertainty relating to the going concern basis.”

THE MANAGEMENT’S POSITION, VIEW AND ASSESSMENT ON THE DISCLAIMER OF OPINION

To address the going concern issue of the Group raised by the Auditor, the Group has been actively undertaking and will continue to undertake the following measures to improve the Group’s working capital and cash flow position and mitigate its liquidity pressure:

- (i) negotiate and obtaining additional financing from financial institution;
- (ii) the Group has obtained letters of undertakings from substantial Shareholders confirming that they will provide continued financial support to the Group to meet its present and future financial obligations as they fall due;
- (iii) the Group will actively negotiate and obtaining the additional financing including, but not limited to, equity and bank borrowing;
- (iv) the Group will continue to negotiate with the Group’s creditors with a view to extend the repayment terms of the Group’s current liabilities as they fall due; and

- (v) the Management will continue to save or reduce costs aiming at improving the working capital and cash flow of the Group, including close monitoring of administrative expense and operating cost.

Taking all of the above measures and/or actions into consideration, the Board considers and is confident that the Group will have sufficient liquidity to finance its operations for the next twelve months and therefore is of the view that the Group would be able to continue its businesses and operations as a going concern and the going concern issue will be fully resolved in the immediate future.

AUDIT COMMITTEE'S VIEW ON THE DISCLAIMER OF OPINION

The Audit Committee had critically reviewed the Disclaimer of Opinion, the Management's position concerning the Disclaimer of Opinion and measures taken by the Group for addressing the Disclaimer of Opinion. The Audit Committee agreed with the Management's position based on the reasons above. Moreover, the Audit Committee requested the Management to take all necessary actions to address the effect on the Disclaimer of Opinion that no such Disclaimer of Opinion to be made in the forthcoming audited financial statements. The Audit Committee had also discussed with the Auditor regarding the financial position of the Group, measures taken and to be taken by the Group, and considered the Auditor's rationale and understood their consideration in arriving their opinion.

RISKS AND UNCERTAINTIES

The Board believes that risk management is important and shall use its best effort to ensure it is sufficient to mitigate the risks present in the Group operations and financial position as efficiently and effectively as possible.

Business risk

The PRC local, provincial and central authorities exercise a substantial degree of control over the gold industry in China. Hunan Westralian's operations are subject to a range of PRC laws, regulations, policies, standards and requirements in relation to, among other things, mine exploration, development, production, taxation, labour standards, occupational health and safety, waste treatment and environmental protection and operation management.

The Management has been looking into different kinds of business and investment opportunities to broaden the sources of income of the Group in order to manage the risks associated with the volatility of the commodities prices that can have a material impact on the Group's mining operations and to create greater value for the Shareholders.

The functional manager will carefully scrutinise each project for related risks and returns. These include assessment of relevant government policies, market demand, market conditions and economic data. The Management is responsible for supervision, conducting regular operational reviews and keeping the Board fully informed through regular reports (either in written or verbal form) and enabling the Board to make prompt decisions if changes are required.

Operational risk

Hunan Westralian faces certain risks and uncertainties beyond their control from manmade and natural disasters. These risks and uncertainties mainly include: (i) major catastrophic events and natural disasters; (ii) geological or mining conditions such as instability of the slopes and subsidence of the working areas; (iii) unexpected or periodic interruptions due to inclement or hazardous weather conditions; (iv) disruptions or shortages of water, power or fuel supply; (v) industrial or manmade accidents occurring in connection with mining processing operations; and (vi) critical equipment failures, malfunction and breakdowns of information management systems, or unexpected maintenance or technical problems. Hunan Westralian has engaged a local safety assessment company, which is an independent third party, to assess the safety status of the eastern Gold Mine. It is believed that the eastern Gold Mine has fulfilled the conditions of safe production in accordance to the relevant government laws and regulations.

The front-line or functional manager will review key activities of the Group and ensure all required control procedures, including financial and operational, are fully implemented. Precautionary and contingency measures are also set up to ensure the Group is protected against major potential loss, damage or impact to the business operations.

Financial risk

The market price of standard gold traded on Shanghai Gold Exchange follows international gold price trend closely. Historically, the gold market price has fluctuated widely and experienced periods of significant decline. The gold market prices are influenced by numerous factors such as demand and supply of gold, gold sales and purchases by central banks as well as macro-economic or political factors such as inflation expectation and interest rates.

The Management closely monitors the financial risks and when appropriate will adopt measures to manage and obtained approval from the Directors. The Group's cash and financing positions are closely monitored at the corporate level through regularly reporting. The maturity of receivable and payable are planned and managed to reduce liquidity risk.

ENVIRONMENT PROTECTION

The Group is committed to contributing to the sustainability of the environment from its business activities. The Group has established measures and created certain environmental frameworks to minimise and monitor the environmental impacts attributable to its operations. The Group implemented the green office practices such as re-deployment of office furniture as far as possible, encouraging the use of recycled paper for printing and copying and reducing energy consumption by switching off idle lightings and electrical appliances.

WORKPLACE QUALITY

The Group believes that employees are valuable assets and all indispensable to a company's success, therefore, the Group will use its best effort to attract and retain appropriate personnel to serve the Group. The objective of the Group's human resource policy is to reward and recognise the top-performing staff by providing attractive remuneration packages, which are reviewed annually and as required. The remuneration packages are determined with reference to the responsibilities, qualifications and experience, duties and performance of individuals as well as prevailing market compensation packages. The Group also allocates resources in training, retention and recruitment programs, and encouraging the staff to strive for self-development and improvements to cope with the rapidly changing environment.

PROSPECTS

As mentioned in the business review section above, Hunan Westralian has implemented a mine enhancement project since 2017, and part of project has been completed as at the date of this announcement. After technological enhancements, the production capacity of the existing plant has been further increased to 150 tons/day. Following the relaxation by the local government of COVID-19 pandemic related access restrictions, Hunan Westralian has resumed normal mining operation and selling gold products since August 2020.

In order to further increase production, Hunan Westralian will continue to (i) construct and put into operation of new ore processing plant with designed capacity of 500 tons/day which is targeted to be fully operational by the end of 2022, (ii) expand the tailings processing and storage yard, the works for which is scheduled for completion by the end of 2021, (iii) implement continuous maintenance and enhancement works program annually and review the expansion of existing mining locations within current mining rights, and (iv) explore the Jiufa mining area near the new processing plant under construction.

The Company will continue its effort to improve its mining capability and facilities with the goal of maximising the quality and output efficiency of the Gold Mine. At the same time, the Company will also look to commission an update technical report at an appropriate time to "upgrade" the reserves and/or resources of the gold mine.

The Management believes that the performance of mining products segment will gradually improve as the gold price may continue to rise. The Management will monitor the capital needs for the aforesaid improvement and exploration projects, explore suitable financing opportunities when necessary, and inject capital based on the actual situation.

In addition, the Management will explore other strategic investment opportunities in mining ancillary businesses or bullion related businesses to enhance the business prospects of the Group, thereby maximising the value for the Shareholders.

Regarding the coal trading, as mentioned previously, due to the increase in coal supply prices, costs and unattractive profit margin, the Management will continue to adopt a prudent and conservative approach in the coming year to slow down its development. The Management will continue to monitor and review this business and make appropriate adjustment according to the actual performance and business development.

For the wholesale and trading of frozen meat, as mentioned in the 2020 Interim Report, the management of the subsidiary will strive to find customers with stable demand, and stable low-cost supply channel to achieve better profitability. The management of the subsidiary plans to extend the scope of business to other frozen meats such as beef, pork and seafood, and hopes to eventually achieve the goal of establishing its own online store and cold-chain e-commerce and/or cooperation with large e-commerce platform.

With the continuous strengthening the relevant national environmental governance policies imposed and encouraged by the Chinese government, the Group, as stated in the 2020 Interim Report and 2019 Annual Report, entered into a capital increase agreement with Target Company principally engaged in: (i) comprehensive utilization of waste resources; (ii) procurement, processing, production and sales of metal scrap and metal-containing waste; (iii) trading in mineral products; and (iv) sales of metal materials in Jiangxi Province, PRC. As at the date of this announcement, the Group owns 12.41% equity interest in the capital of the Target Company and since the Target Company has obtained the provisional hazardous waste treatment licence, the Group has made a capital contribution of HK\$55 million to the Target Company. Details of the fair value of this investment as at the 31 December 2020, its performance for the Reporting Period and other information, please refer to note 12 to the unaudited consolidated financial statements of this announcement. The Board is of the view that this investment enables the Company to explore more business opportunities in the downstream business of the Group and expects to generate more profit in the future. Depending on the future performance of Target Company, the Company may consider investing more funds and/or resources in Target Company with a view to improving the financial condition of the Group.

As disclosed in the previous Company's interim reports and annual reports, after considering and studying the global economic environment, the trends in the PRC's future economic and business development model and the future development of the Company's existing business, the Board believes that the Group should, among others, identify business opportunities in big data, e-commerce and blockchain technology, especially in providing and assisting its internal and external customers in tailor-made blockchain services in order to add value for their businesses. The project team is conducting feasibility study and looking for potential partners or acquisition targets to bring long-term benefits to the Shareholders.

The Board, having considered various solutions and measures to the going concern issue of the Group that have been actively undertaken and will continue to be undertaken, as well as the funding needs of the Group for its existing business operations and future business development, has decided that the Company may consider raising funds in different ways, including issuance of convertible bonds, issuance of new Shares or loan financing, etc. The final result will be subject to the market conditions and the outcomes of the negotiations with the potential investors.

Looking forward, the Management will continue modifying and finessing the Group's strategic plan, adjusting to the changes in the dynamic business environment in the PRC and globally on one hand, and on the other hand will continue looking for other investment opportunities to broaden the sources of income for the Group in order to create greater value for the Shareholders. The Management will strive to leverage our internal and external resources through fundraising or introducing strategic investors to achieve this goal.

LIQUIDITY AND FINANCIAL RESOURCES

During the Reporting Period, the Group mainly financed its operation with internally generated cashflows and borrowings.

As at 31 December 2020, the Group had unpledged bank and cash balances of approximately HK\$9.3 million (2019 (audited): approximately HK\$42.5 million). The gearing ratio was approximately 26,774.2% (2019 (audited): approximately 296.5%) and the borrowings of the Group was approximately HK\$308.1 million (2019 (audited): approximately HK\$224.1 million). The Group reported net current liabilities of approximately HK\$97.8 million as at 31 December 2020 (2019 (audited): net current assets of approximately HK\$72.4 million).

Details of maturity profile and interest rate structure of the borrowings of the Group are set out in the notes to the consolidated financial statements of the annual report of the Company for the Reporting Period to be published later on.

CONTINGENT LIABILITY

As at 31 December 2020, the Group did not have any significant contingent liability (2019: nil).

BANK BORROWINGS

As at 31 December 2020, the Group did not have any outstanding bank loan (2019: nil).

EMPLOYEES AND REMUNERATION

As at 31 December 2020, the Group employed 503 staff members (2019: 376). The remuneration of employees was in line with the market trend and commensurate with the level of remuneration in the industry and the performance of individual employees that are regularly reviewed every year.

FOREIGN EXCHANGE EXPOSURE

During the Reporting Period, the Group mainly generated sales revenue and incurred costs in both Hong Kong dollar and Renminbi. In view of the fluctuation of Renminbi, the Directors considered that the Group's exposure to fluctuation in foreign exchange rate was minimal and accordingly, the Group did not employ any financial instruments for hedging purpose.

FINAL DIVIDEND

The Board does not recommend the payment of a final dividend for the Reporting Period (2019: nil).

ANNUAL GENERAL MEETING

The Board has not yet fixed the date of 2021 AGM. Further announcement will be made by the Company regarding the AGM as and when appropriate.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the Reporting Period, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities.

REVIEW OF UNAUDITED ANNUAL RESULTS

The Company established Audit Committee in accordance with the requirements of the CG Code. On 31 March 2021, the Audit Committee comprises 3 INEDs, namely: Mr. Cai Jianhua, Mr. Ho Wing Chung and Mr. Yan Xiaotian.

The Auditor informed the Company that since it has not yet received the outstanding credit report from the People's Bank of China, it is unable to complete the audit of the Group's annual results for the Reporting Period by 31 March 2021 in accordance with the requirements of the Listing Rules. Therefore, the unaudited annual results contained herein have not yet been agreed with the Auditor.

The Audit Committee has reviewed with the Management the accounting principles, the CG Code as adopted by the Company and the practices of the Group and approved the internal control, risk management and financial reporting matters including the unaudited consolidated financial statements for the Reporting Period contained herein.

Following the completion of the auditing process, the Company will issue further announcement in relation to the audited results for the Reporting Period as agreed by the Auditor and the material differences (if any) as compared with the unaudited annual results contained herein. The Company expects the auditing process will be completed on or before 9 April 2021.

CORPORATE GOVERNANCE

The Company acknowledges the need for and the importance of corporate governance as one of the key elements in enhancing Shareholders' value. The Company is committed to improving its corporate governance practices in compliance with regulatory requirements and in accordance with recommended practices. As at the date of this announcement, the Company has adopted the CG Code to regulate the corporate governance issues of the Group. The Board has reviewed the Company's corporate governance practices and has formed the opinion that the Company, throughout the Reporting Period and up to the date of this announcement, has complied with the Code Provisions as set out in the CG code except for the following deviation:

Pursuant to the code provision A.2.1 of the CG Code, the roles of Chairman of the Board and CEO should be separate and should not be performed by the same individual. Accordingly, following the appointment of Mr. Qiao Bingya as CEO on 12 June 2020, there is a deviation from the code provision A.2.1 of the CG Code as Mr. Qiao Bingya is also the Chairman of the Board.

Notwithstanding the aforesaid deviation, the Board considers that the present structure will not impair the balance of power and authority between the Board and the management of the Group as the Board assumes collective responsibility on the decision-making process of the Company's business strategies and operation. Nevertheless, the Company will continue to review its operation and seek to re-comply with the code provision A.2.1 of the CG Code by splitting the roles of Chairman of the Board and CEO at a time when it is appropriate to increase the independence of corporate governance of the Group.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as the code of conduct governing Director's securities transactions. All Directors currently in the Board have confirmed, following specific enquiry by the Company, that they have complied with the required standards set out in the Model Code throughout the Reporting Period and up to the date of this announcement.

RISK MANAGEMENT AND INTERNAL CONTROL

The Board and the Audit Committee acknowledge that its responsibility for overseeing the risk management and internal control systems of the Group and reviewing their effectiveness at least annually. The Group emphasises the importance of sound risk management and internal control systems which are indispensable for mitigating the Group's key risk exposures. The Group's risk management and internal control systems include a defined management structure with limits of authority, and are designed for the Group to identify and manage the significant risks to achieve its business objectives. The systems are designed to provide reasonable, but not absolute, assurance against material misstatement or loss, and to manage rather than eliminate risks of failure in the Group's operational systems and in the achievement of the Group's business objectives.

For risk management, the Group has adopted a three-line of defense model to identify, assess and manage different types of risks. The Group is committed to the identification, evaluating, and management of risks associated with its business activities through ongoing assessment of a risk register, by considering the likelihood and impact of each identified risk. For any newly identified significant risks, the Group will evaluate its financial or operational impacts to the Group and adopt mitigating measures to manage such risks.

The Group has developed an internal control system, which covers major financial, operational and compliance controls to safeguard its assets against unauthorised use, ensure the maintenance of proper accounting records and ensure compliance with relevant laws and regulations. The internal control system is reviewed on an ongoing basis by the Board and Audit Committee annually. For any identified internal control weaknesses or defects, the Group will enhance control measures to rectify such control weaknesses or defects.

The Board and the Audit Committee have conducted an annual review for the need of internal audit function and has also reviewed annually for the adequacy of resources, qualifications and experience, training and budget of the accounting, internal audit and financial reporting functions.

The Company has engaged the Internal Control Consultant to conduct an independent review on the risk management and internal control systems of the Group. Risk assessment report and internal control review report were submitted to and approved by the Board and the Audit Committee. For the principal risks faced by the Group, the management of the Company has developed ongoing mitigating measures to manage such risks. For control weaknesses identified by the Internal Control Consultant, the Group has adopted enhanced control measures to rectify relevant control weaknesses. The abovementioned annual review covered material controls, including financial, operational and compliance controls and risk management functions of the Group. The Board considered that the risk management and internal control systems of the Group were effective during the Reporting Period, but there is still room for improvement, therefore, the Board will strengthen the internal control and monitoring process especially at the subsidiary level. The improvement of the systems of risk management and internal control is an ongoing process and the Board maintains a continuing commitment to strengthen the Group's environment control and processes.

HANDLING AND DISSEMINATION OF INSIDE INFORMATION

The Group has put in place the procedures and internal controls for the handling and dissemination of inside information. The Group discloses inside information to the public as soon as reasonably practicable unless the information falls within any of the safe harbours as stated in the SFO. Before the information is fully disclosed to the public, the Group ensures the information is kept strictly confidential. If the Group believes that the necessary degree of confidentiality cannot be maintained or that confidentiality may have been breached, the Group would immediately disclose the information to the public. The Group is committed to ensure that information contained in announcements or circulars are not false or misleading as to a material fact, or false or misleading through the omission of a material fact in view of presenting information in a clear and balanced way, which requires equal disclosure of both positive and negative facts.

OTHER INFORMATION RELATED TO CAPITAL STRUCTURE

Capital Reorganisation

On 27 November 2019, The Board proposed to implement the capital reorganisation which entails the Share Consolidation and Capital Reduction. The Capital Reorganisation was approved by the Shareholders at the EGM and was completed on 16 March 2020.

Details of abovementioned Capital Reorganisation, please refer to the (i) circular which published on the websites of Stock Exchange and the Company on 6 December 2019; (ii) the announcement of the Company dated 30 December 2019 in respect of the poll results of the EGM; and (iii) the announcements of the Company dated 5 February 2020 and 16 March 2020 in respect of the updated expected timetable of the Capital Reorganisation and the change in board lot size.

Settlement Agreements and Subscription Agreements

- (i) On 27 March 2020, the Company entered into Wu Settlement Agreement with Creditor B, being the only remaining CB Settlement Creditor, for the settlement of the amount due to him as at 23 May 2019, i.e. HK\$18,161,039.18, being the principal amount and interest accrued under the bonds up to 23 May 2019. On 30 June 2020, further supplementary agreement was entered into between the Company and Creditor B to extend the final settlement date of the remaining outstanding amount under the Wu Settlement Agreement to 30 September 2020. Pursuant to the aforesaid Wu Settlement Agreement and the supplementary agreement, the Company may, in its absolute discretion, elect to repay the remaining either in cash or by the issue of new Shares to Creditor B as settlement shares by 30 September 2020.

On 20 August 2020, the Company received a transfer form signed by Creditor B as transferor and Ms. Tung as transferee whereby Creditor B assigned to Ms. Tung all his rights under the Relevant Bonds (as amended by the Wu Settlement Agreement) with respect to the entire outstanding amount of HK\$9,951,528.08.

On 31 August 2020, the Company and Ms. Tung entered into Tung Settlement Agreement in relation to the settlement of the amount owed by the Company under the Relevant Bonds and the Wu Settlement Agreement, being HK\$9,951,528.08. On 9 October 2020, the Company issued and allotted 70,789,074 Shares to Ms. Tung at a price of HK\$0.14058 per Share (the closing market price on the agreement date was HK\$0.153) under general mandate to fully settle and repay the aforesaid outstanding amount pursuant to the Tung Settlement Agreement. The nominal value of the settlement shares is HK\$707,890.74.

For details of abovementioned settlement agreements, please refer to the notes 15 and 18 to the unaudited consolidated financial statements of this announcement, and the announcements of the Company dated 27 March 2020, 31 August 2020 and 9 October 2020.

- (ii) On 9 November 2020, the Company entered into one subscription agreement with each of the three parties independent of the Company and its connected persons, namely Mr. Liu Jie, Mr. Wang Baoli and Mr. Zhou Hongliang. On 27 November 2020, a total of 139,500,000 Shares were issued and allotted by the Company under general mandate to the aforesaid subscribers at the subscription price of HK\$0.09918 per Share (the closing market price on the agreement date was HK\$0.120) pursuant to the subscription agreements. The aggregate nominal value of the subscription shares is HK\$1,395,000. One of the major reasons for the issuance of the subscription is that the subscription can provide the Company with additional funds to settle its committed payment obligations under the capital increase agreement entered into with the Target Company.

As at 31 December 2020, approximately HK5 million of the proceeds have been utilised towards the settlement of the outstanding capital contribution to the Target Company and approximately HK\$0.92 million towards the general working capital of the Group. As at 31 December 2020, approximately HK\$7.92 million of the remaining proceeds has not yet utilised as general working capital of the Group.

Details of the subscription agreement, please refer to note 18 to the unaudited consolidated financial statements of this announcement, and the announcements of the Company dated 9 November 2020 and 27 November 2020.

PUBLICATION OF INFORMATION ON THE WEBSITES OF HONG KONG EXCHANGES AND CLEARING LIMITED AND THE COMPANY

This unaudited annual results announcement is published on the website of Hong Kong Exchanges and Clearing Limited at www.hkexnews.hk as well as the website of the Company at www.chinabillion.net respectively. The annual report of the Company for the Reporting Period will be despatched to the Shareholders and will be published on the aforementioned websites in due course.

OTHER INFORMATION

The financial information contained herein in respect of the annual results of the Group for the Reporting Period has not been agreed with the Auditor. Following the completion of the auditing process, the Company will issue further announcement in relation to the audited results for the Reporting Period as agreed by the Auditor and the material differences (if any) as compared with the unaudited annual results contained herein. The Company expects the auditing process will be completed on or before 9 April 2021.

Trading in the Shares on the Main Board of the Stock Exchange has been halted at the request of the Company on 1 March 2021 and will remain in suspension until publish the audited annual results for the Reporting Period.

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

DEFINITIONS

“2019 Annual Report”	the annual report of the Company for the year ended 31 December 2019
“2020 Interim Report”	the interim report of the Company for the six months ended 30 June 2020
“Adjusted Share(s)”	the ordinary share(s) of HK\$0.01 each in the share capital of the Company immediately upon the Capital Reorganisation becoming effective
“AGM”	the annual general meeting of the Company
“Articles of Association”	the articles of association of the Company
“associate(s)”	having the meaning ascribed thereto under the Listing Rules
“Audit Committee”	the audit committee of the Company
“Auditor” or “ZHONGHUI ANDA”	ZHONGHUI ANDA CPA Limited, an independent external auditor of the Company
“Board”	the board of Directors

“Capital Reduction”	the Reduction of Issued Capital, the subdivision of each authorised but unissued Consolidated Share into 20 unissued Adjusted Shares and the Share Premium Reduction
“Capital Reorganisation”	the capital reorganisation approved by Shareholders at the EGM which involves the Share Consolidation and the Capital Reduction and became effective on 16 March 2020
“CB Settlement Agreements”	having the same meaning ascribed thereto under the Circular (i.e. a total 3 sets of convertible bonds settlement agreements entered into between the Company and the CB Settlement Creditors)
“CB Settlement Creditors”	having the same meaning ascribed thereto under the Circular (i.e. Mr. 李鐵鍵, Mr. 吳躍新 and Mr. 豆新虎)
“CEO”	the chief executive officer of the Company
“CG Code”	Corporate Governance Code as set out in Appendix 14 of the Listing Rules
“Chairman of the Board”	the chairman of the Board
“China” or “PRC”	the People’s Republic of China, but for the purposes of this announcement and for geographical reference only (unless otherwise indicated), excludes the Macao Special Administrative Region of the PRC, Hong Kong and Taiwan
“Circular”	a circular despatched by the Company to the Shareholders on 29 January 2016
“Code Provisions”	code provisions as set out in the CG Code
“Companies Law”	the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands
“Companies Ordinance”	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong)
“Company”	China Billion Resources Limited, a company incorporated in the Cayman Islands with limited liability, shares of which are listed on the Stock Exchange
“Company Secretary”	the company secretary of the Company
“Consolidated Share(s)”	the ordinary share(s) of HK\$0.20 each in the share capital of the Company after the Share Consolidation but prior to the Capital Reduction

“Corresponding Period”	the period for the year ended 31 December 2019
“Creditor A”	Mr. 李鐵鍵, one of the CB Settlement Creditors
“Creditor B”	Mr. 吳躍新, one of the CB Settlement Creditors
“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting of the Company held on 30 December 2019
“Executive Director(s)”	the executive Director(s)
“Gold Mine”	the Group’s Yuanling gold project in Hunan Province, the PRC
“Group”	the Company and its subsidiaries
“HKAS”	Hong Kong Accounting Standards
“HKFRS”	Hong Kong Financial Reporting Standards
“HKFRSs”	Hong Kong Financial Reporting Standards comprise HKFRS, HKAS and Interpretations
“HKICPA”	Hong Kong Institute of Certified Public Accountants
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hunan Westralian”	Hunan Westralian Mining Co., Limited, a foreign owned enterprise established in the PRC and is a subsidiary of the Company
“INED(s)”	the independent non-executive Director(s)
“Internal Control Consultant”	an internal control consultant engaged by the Company on 17 December 2020 to perform an internal control review of the Group
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Loan Agreement”	the loan agreement dated 6 August 2019 entered into between the Company as borrower, Westralian Resources as co-borrower and Mr. Cai as lender, pursuant to which Mr. Cai has agreed to advance a facility of up to RMB80,000,000 to the Company

“Management”	the management of the Company
“Model Code”	Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 of the Listing Rules
“MPF Scheme”	Mandatory Provident Fund retirement benefits scheme
“Mr. Cai” or “Lender”	Mr. Cai Shuo, a former director of Hunan Westralian (appointed as director on 15 August 2019 and resigned on 20 August 2020)
“Ms. Tung”	Ms. Tung Yuen Ling
“NED(s)”	the non-executive Director(s)
“Nomination Committee”	the nomination committee of the Company
“Reduction of Issued Capital”	the reduction of the par value of each issued Consolidated Share from HK\$0.20 to HK\$0.01 by cancelling HK\$0.19 of the paid-up capital on each issued Consolidated Share
“Relevant Bonds”	the convertible bonds issued by the Company to Creditor B on 24 May 2016 in the principal amount of HK\$13,970,030.14, which matured on 23 May 2019 (upon which the rights to conversion ceased) and part of the amount due thereunder has been repaid by the Company
“Remuneration Committee”	the remuneration committee of the Company
“Reporting Period”	the period for the year ended 31 December 2020
“RMB”	Renminbi, the lawful currency of the PRC
“Settlement Agreement”	the agreement dated 10 August 2020 entered into between the Company, Westralian Resources and Mr. Cai in relation to the settlement of amounts owed by the Company to Mr. Cai under the Loan Agreement
“Settlement Convertible Bonds”	the unsecured 10% convertible bonds in the aggregate principal amount of HK\$53,417,356.17 with a term of three years to be issued by the Company to the CB Settlement Creditors pursuant to the terms of the CB Settlement Agreements

“SFO”	the Securities and Futures Ordinance (Chapter 571 of Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.01 each in the issued share capital of the Company
“Share Consolidation”	the consolidation of every twenty (20) then issued and unissued shares of the Company of HK\$0.01 each into one (1) Consolidated Share of par value of HK\$0.20
“Share Option Scheme”	the share option scheme approved by the Shareholders for adoption at the extraordinary general meeting of the Company held on 22 February 2016
“Share Premium Reduction”	the application of the credit arising from the Reduction of Issued Capital and the credit standing in the Company’s share premium account towards offsetting the accumulated deficit of the Company as at the effective date of the Capital Reduction in a manner as permitted by the Companies Law and other applicable laws
“Shareholder(s)”	holder(s) of the Share(s)
“SRK”	SRK Consulting China Limited, an independent technical adviser
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	德興市益豐再生有色金屬有限責任公司, a limited liability company incorporated in the PRC
“Tung Settlement Agreement”	the agreement dated 31 August 2020 entered into between the Company and Ms. Tung in relation to the settlement of HK\$9,951,528.08 outstanding amount and issue of 70,798,074 settlement shares
“Westralian Resources”	Westralian Resources Pty Ltd, a wholly-owned subsidiary of the Company incorporated in Australia
“Wu Settlement Agreement”	the agreement dated 27 March 2020 (as amended and supplemented by the supplemental agreement) entered into between the Company and Creditor B in relation to the settlement of debt owed by the Company to Creditor B under the Relevant Bonds

“%”

per cent

APPRECIATION

On behalf of the Board, I am grateful for the perseverance and resilience of our staffs for their unwavering efforts. I would also take this opportunity to express my sincere appreciation to all Shareholders, investors and business partners for their continued support.

By order of the Board of
China Billion Resources Limited
Qiao Bingya
Chairman of the Board and CEO

Hong Kong, 31 March 2021

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

Executive Directors:

Mr. Qiao Bingya (*Chairman of the Board and CEO*)

Mr. Xie Qiangming

Mr. Zhang Yiwen

NED:

Mr. Sun Aimin

INEDs:

Mr. Cai Jianhua

Mr. Ho Wing Chung

Mr. Yan Xiaotian