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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)

RESUMPTION CONDITIONS AND PROGRESS ON RESUMPTION OF TRADING ANNOUNCEMENT IN COMPLIANCE WITH RULE 13.09 OF THE LISTING RULE

RESUMPTION CONDITIONS

Trading in the Shares on The Stock Exchange of Hong Kong Limited has been suspended at the request of the Company on 29 June 2011 pending the release of an announcement regarding price sensitive information concerning the following matters.

1. On 27 June 2011, the Company announced that two loan facilities in an aggregate of HK\$60,000,000.00 and RMB50,000,000.00 have been defaulted (the “Loan Facilities”), and that on 10 June 2011, the lender/security agent had exercised and executed the share charges on two of the Company’s subsidiaries under the deeds.
2. The requests made by the auditor on 1 June 2011 and 27 June 2011 to amend their published audit opinion on the Company’s 2010 from unqualified to disclaimer. The requests were later withdrawn on 29 June 2011.
3. Non disclosure of information about the loan facilities, pledges of assets and subsidiaries, going concern matter and subsequent year end events on the Company’s default. The Stock Exchange concerned that the 2010 audited accounts may contain incomplete, false and misleading information and whether the market has the necessary information to appraise the Group’s position.
4. Other material information that is necessary to appraise the Group’s operation.

On 30 December 2011, the Stock Exchange issued a letter informing the Company that resumption conditions were imposed prior to lifting the suspension (the “Resumption Conditions”).

- a. address the above matters and inform the market of all material information that is necessary to appraise the Group’s position; and
- b. demonstrate that there are adequate financial reporting procedures and internal control systems to meet obligations under the Listing Rules.

PROGRESS ON RESUMPTION OF TRADING

1. On 27 June 2011, the Company announced that two loan facilities in an aggregate of HK\$60,000,000.00 and RMB50,000,000.00 have been defaulted (the “Loan Facilities”), and that on 10 June 2011, the lender/security agent had exercised and executed the share charges on two of the Company’s subsidiaries under the deeds.

The Contract for debt restructuring and handling (債務重組及處理合同), Contract for concurrent transfer of assets and debt(資產與債務同步轉移合同), Contract for assets swap (資產置換合同), Contract for transfer of indebtedness (債務轉移合同)and Debt Restructuring Agreement (債務重組協議) had been effectively executed. Completion took place with the debt restructuring and handling, transfer of fixed assets and indebtedness on 5 March 2012.

Reference is made to the announcement of the Company dated 5 March 2012 in relation to debt restructuring. All parties in the Contract of debt restructuring and handling were satisfied with the effect of the said Contract, and all parties regarded the said Contract as full and final settlement of the indebtedness owed by China Billion Resources Limited to Sino Measure Limited and Dongguan Bo Shing Environmental Investment Co., Limited. Reference is made to the clarification announcement of the Company dated 14 March 2012 in relation to the net effect of the debt restructuring exercise.

2. On 28 June 2011, the Company notified the Stock Exchange that, on 1 June 2011 and 27 June 2011, the Company received letters issued by the auditor relating to request to amend the published audit opinion on the Company’s 2010 audited accounts from unqualified to disclaimer. The reason being that the auditors were unable to obtain sufficient evidence to support the going concern basis and the assessment on the financial position of the Company given that information related to the loan facilities has not been previously disclosed to the auditors. The request was later withdrawn on 29 June 2011 with notice to the Stock Exchange when the auditors were informed by the Company of the loan detail with a restructuring plan proposal. The auditor were also supplied with letters of financial support from

major shareholders of the Company whereby the major shareholders gave substantive amount of free-trading marketable securities as financial support to the Company. The auditor had also made contact with the proposed placement agent for share placement of the Company on 28 June 2011 to make enquiries on the share placement exercise. Hence, the auditor considered that there has been sufficient support be rendered by the Company's major shareholder to support the Company to continue as a going concern. Coupled with the subsequent announcement made by the Company on the relevant facts regarding the loan matter and then the auditor remain to express an unqualified opinion to the Company .

The share placement agreement was entered into by the Company and the share placing agent on 28 June 2011 and subsequently terminated on 8 July 2011. Reference is made to the announcement of the Company dated 28 June 2011 in relation to the share placement and the announcement of the Company dated 4 August 2011 in relation to the termination of the share placement.

3. Regarding the non disclosure of information about the loan facilities, pledges of assets and subsidiaries, going concern matter and subsequent year end events on the Company's default. The Stock Exchange was concerned that the 2010 audited accounts may contain incomplete, false and misleading information and queried whether the market has the necessary information to appraise the Group's position.

The above information on the Company's default has been clarified in the announcement made on 27 June 2011, the announcement made on 5 March 2012 in relation to the debt restructuring and the announcement made on 14 March 2012 in relation to the net effect of the debt restructuring.

4. Regarding the other material information that is necessary to appraise the Group's operation, the Company will make disclosure by further announcement(s) to inform the Shareholders and potential investors as soon as possible.

STATUS OF THE RESUMPTION APPLICATION

- a. The Company has addressed the concerns of the Stock Exchange for the matters stated above. The financial position of the Group pending the release of the audited annual report of the Company for the year ended 31 December 2011, will be announced at the end of April 2012.
- b. The Company has engaged an independent adviser on 8 February 2012 to review and assess its corporate governance and internal control systems in accordance with the Committee of Sponsoring Organizations of the Treadway Commission (the "COSO") framework, known as the COSO framework and the "**Internal**

Control & Risk Management” issued by the HKICPA. The Company has finalized the scope of engagement with the independent advisor and thereafter the internal control review has commenced in February 2012. Meanwhile, the independent advisor is using its best endeavours to expedite its internal control review, and will report its findings to the Board as soon as practicable. The Board will fully assist the independent advisor in resolving the matter identified. The Board will take necessary actions based upon the advice of the independent advisor.

In view of the uncertainties of the assessment and the impact of the above matter, trading in our shares will remain suspended pending the conclusion of the assessment made by the independent advisor. The Company will disclose further progress and the findings by further announcement(s) to inform the Shareholders and potential investors.

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

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms have the following meanings:

“Auditor”	Parker Randall CF (H.K.) CPA Limited
“Board”	the board of Directors of the Company
“Company”	China Billion Resources Limited, a company incorporated in the Cayman Islands with limited liability whose shares are listed on the main board of the Stock Exchange
“Director(s)”	the directors of the Company
“Listing Rules”	the Rules Governing the Listing of Securities on Main Board
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“PRC”	the People’s Republic of China, and for the purpose of the announcement, shall exclude Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan

“RMB” Renminbi, the lawful currency of the PRC

“Stock Exchange” The Stock Exchange of Hong Kong Limited

On behalf of the Board
China Billion Resources Limited
Zuo Weiqi
Chief Executive Officer

Hong Kong, 10 April 2012

As at the date hereof, the Board comprises the following members:

Executive Directors

Mr. Long Xiaobo (Chairman)
Mr. Zuo Weiqi (Chief executive officer)
Mr. Yip Chung Wai, David
Mr. Ng Ka Hong
Mr. Wu Jun
Mr. Jia Xuelei

Independent non-executive Directors

Mr. Jin Shunxing
Dr. Zhu Jing
Mr. Chiang Tsung-Nien

** For identification purpose only*