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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)

CHANGE OF AUDITOR AND APPOINTMENT OF COMPANY SECRETARY

The Board announced that Parker Randall CF (H.K.) CPA Limited has resigned as the auditor of the Company and its subsidiaries with effect from 11 August 2013 and Ting Ho Kwan & Chan CPA Limited has been appointed as the new auditor of the Company and its subsidiaries with effect from 14 August 2013 to fill the casual vacancy occasioned by the resignation of the Outgoing Auditor.

The Board further announced that Mr. Cheung Yuk Chuen has been appointed as the company secretary of the Company with effect from 14 August 2013 in place of Miss Fok who has resigned on 17 July 2013.

CHANGE OF AUDITOR

The members of audit committee and the board of directors (the “**Board**”) of China Billion Resources Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) have received a letter of resignation from Parker Randall CF (H.K.) CPA Limited (the “**Outgoing Auditor**”) dated 11 August 2013 and a letter to the audit committee on 12 August 2013 stating that they wished to resign as auditor of the Company and its subsidiaries with effect from 11 August 2013 (the “**Resignation Letters**”).

Set out below is an extract of the relevant paragraphs of the Resignation Letters:

“We have been notified by the Directors of the Company that our Firm would not be nominated for re-appointment and we do not intend to secure for any re-appointment of the office of auditor then.”

“We have held preliminary discussions with certain Board members and other accounting personnel of the Group before and after the issuance of the said draft audit report for year ended 31 December, 2011 and discuss with the members of the Board for those audit work done for the financial statements of the Company for the year ended 31 December, 2012. However, there are difference in opinion and the limited availability of financial information and support from the Company, particularly the supporting of accounting personnel at the subsidiary company’s level, are being unable to provide sufficient evidence and response to our enquiries in the course of our performance of audit work, resulting in disagreements and unresolved issues.”

“Further to our various communication with the senior management and the Board members in the course of performance of our work, we do not see any circumstances that lead us to report directly to Shareholders and Creditors of the Company in addition to those that have been communicated to the senior management and Board members of the Company and that would be communicated to the audit committee of the Company as assessed by our Firm given the information we have been provided and the audit work done our Firm has performed.”

The Board would like to clarify that they have not discussed the issue of re-appointment of auditor at the next annual general meeting of the Company with the Outgoing Auditor.

The Board believed that the disagreement and unresolved issues between the Company and the Outgoing Auditor arise from difference in opinion on certain accounting treatment on the draft audit report for the year ended 31 December 2011 that the Company received from the Outgoing Auditor on 30 July 2013.

Save as disclosed above, the Board confirmed that there is no disagreement between the Company and Outgoing Auditor and any other matter in respect of the change of auditors that needs to be brought to the attention of the shareholders of the Company.

In accordance with the articles of association of the Company, the Board has appointed Ting Ho Kwan and Chan CPA Limited (“**THKC**”) as the new auditor of the Company and its subsidiaries with effect from 14 August 2013 to fill the casual vacancy occasioned by the resignation of the Outgoing Auditor and to hold office until the conclusion of the next annual general meeting of the Company.

As the Outgoing Auditor resigned without the completion of the audit works for the financial statements of the Company for the year ended 31 December 2011, the new auditor, THKC will conduct audit works on the financial statements of the Company for the two years ended 31 December 2011 and 2012.

APPOINTMENT OF COMPANY SECRETARY

Reference is made to the announcement of the Company dated 22 July 2013 in relation to the resignation of company secretary of the Company (the “**Announcement**”). Unless otherwise defined, capitalized terms used herein shall have the same meanings as defined in the Announcement.

The Board announced that Mr. Cheung Yuk Chuen (“**Mr. Cheung**”) has been appointed as the company secretary of the Company with effect from 14 August 2013 in place of Miss Fok who has resigned with effect from 17 July 2013.

Mr. Cheung, aged 39, holds a bachelor’s degree in business administration in accounting from the Hong Kong University of Science and Technology. He is a fellow member of the Association of Chartered Certified Accountants, United Kingdom and an associate member of the Hong Kong Institute of Certified Public Accountants. He possesses over 13 years of experience in the fields of accounting, auditing and tax consultancy.

SUSPENSION OF TRADING

Trading in the shares of the Company on The Stock Exchange of Hong Kong Limited has been suspended since 29 June 2011 and shall remain suspended until further notice.

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

Hong Kong, 15 August 2013

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

Executive Directors:

Mr. Long Xiaobo (*Chairman*)
Mr. Zuo Weiqi (*Chief executive officer*)
Mr. Yip Chung Wai, David
Mr. Jia Xuelei
Mr. Chen Yi Chung
Mr. Lam Chi Man

Independent non-executive Directors:

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

* *For identification purpose only*