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Rosan Resources Holdings Limited

融信資源控股有限公司

(Incorporated in Bermuda with limited liability)

(Stock code: 578)

QUARTERLY UPDATE ANNOUNCEMENT

This announcement is made by the board of directors (the “**Board**”) of Rosan Resources Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rules 13.09(2)(a) and 13.24A of the Rules (the “**Listing Rules**”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

Reference is made to the announcements of the Company dated 30 March 2021, 10 May 2021, 26 May 2021, 30 June 2021 and 1 September 2021 (“**Announcements**”) in relation to, among other things, (i) the delay in publication of the annual results of the Company for the year ended 31 December 2020, (ii) certain guarantees provided by a subsidiary of the Group, (iii) the resumption guidance issued by the Stock Exchange, (iv) quarterly update on suspension of trading and (v) the delay in publication of the interim results of the Company for the six months ended 30 June 2021, respectively. Unless otherwise stated, capitalised term used in this announcement shall have the same meaning as those defined in the Announcements.

BUSINESS OPERATIONS

The Group’s core businesses are (i) operating a coal mine which produces thermal coal for the production of electricity, and (ii) manufacturing and sale of building materials for building construction. The main operation of both activities is primarily located in Henan province near Zhengzhou city.

During the past three months, Henan province was unfortunately hit by an unprecedented rainstorm and flooding in July 2021, followed by a city lockdown owing to COVID-19 outbreak in August 2021. Recently, the businesses of the Group in the Henan province are further affected by the country-wise electricity crisis.

As disclosed previously, the Group's core operating arm, Xiangyang Coal Mine, continues to be affected by the temporary mining suspension guidance from local government and reduced workforce mobility as a result of the COVID-19 epidemic. After the rainstorm and flooding in July 2021, part of the facilities in Xiangyang Coal Mine were damaged and restoration works were still undergoing. During the first nine months of 2021, the Group's coal business has experienced a temporary slow down in operations.

For the building materials business, the rainstorm and flooding in Henan province in July 2021 together with the accompanying power failure and the lockdown policy due to COVID-19 epidemic, has caused temporary suspension of the local factories' production.

The management is closely monitoring the Group's business operation in Henan province and any potential bounce back in market demand for thermal coal and building materials after the recent catastrophes to Henan province and the domestic market in the country.

As of the date of this announcement, the day-to-day operations of the Group have not been affected by the delay in publication of the 2020 Annual Results, the delay in publication of the 2021 Interim Results and the suspension of trading in the shares of the Company on the Stock Exchange.

UPDATE OF RESUMPTION PROGRESS

The Board wishes to update the Shareholders and potential investors of the Company the latest development on the status and progress of the Company's efforts to fulfil the Resumption Guidance as at the date of this announcement as follows:

Forensic investigation

As disclosed in the announcement of the Company dated 9 May 2021, the Investigation Committee, currently comprising all the independent non-executive directors of the Company, has been established to, inter alia, engage competent professional advisors to perform in-depth investigation into the Issues.

On 27 July 2021, FTI Consulting (China) Limited has been appointed as an independent third party investigator of the Company ("**Forensic Investigator**"), to conduct the independent forensic investigation and produce a report of findings on such investigation to the Company ("**Forensic Investigation**").

After the appointment of Forensic Investigator, the Company arranged an initial meeting on 25 August 2021 among Moore Stephens CPA Limited ("**Moore Stephens**"), the Forensic Investigator and the Company to discuss the scope of work of the Forensic Investigation. However the field work of the Forensic Investigation could not begin due to the travel limitation in Henan province caused by the COVID-19 epidemic.

Review of internal control

Based on the findings of the Forensic Investigation, where applicable, the Forensic Investigator will assess whether there are apparent potential weaknesses or deficiencies in the Company's internal control systems, environment and processes in relation to management approval, record keeping and upward reporting and disclosure of loan guarantee agreements entered into by the Company and its main operating subsidiaries.

Publication of outstanding financial results

As disclosed in the announcements of the Company dated 30 March 2021, 16 April 2021 and 9 May 2021, the publication of the 2020 Annual Results has been delayed pending the outcome of the Forensic Investigation regarding the Issues.

On 3 September 2021, Moore Stephens resigned as auditor of the Company with effect from 3 September 2021. For further details, please refer to the announcement of the Company dated 3 September 2021.

The Board is finalising the engagement with an experienced and competent auditor to fill the casual vacancy following the resignation of Moore Stephens. Further announcement in relation to the appointment of the Company's new auditor will be made by the Company as and when appropriate in accordance with the Listing Rules.

The Company, as assisted by the Investigation Committee and its professional advisers, will identify a new auditor and endeavour to publish the 2020 Annual Results and the 2021 Interim Results as soon as practicable, the expected timeframe of which is subject to further assessment by the Board.

CONTINUED SUSPENSION OF TRADING

At the request of the Company, trading in the shares of the Company on the Stock Exchange has been suspended with effect from 9:00 a.m. on 1 April 2021 and shall remain suspended until further notice.

Shareholders and potential investors of the Company should exercise caution when dealing in the securities of the Company.

By order of the Board
Rosan Resources Holdings Limited
Bao Hongkai
Chairman

Hong Kong, 4 October 2021

As at the date of this announcement, the executive directors are Mr. Bao Hongkai, Mr. Dong Cunling, Mr. Li Xiangfei, Mr. Sun Shusheng and Mr. Zhang Yi; the non-executive director is Mr. Li Chunyan; and the independent non-executive directors are Mr. Kelvin Kin-cheong Ho, Mr. Ma Geng and Mr. Wan Tze Fan Terence.