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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, 1 September 2021, 4 October 2021 and 31 December 2021, 31 March 2022, 30 June 2022, 31 August 2022 and 28 September 2022 (“**Announcements**”). Unless otherwise stated, capitalised term used in this announcement shall have the same meaning as those defined in the Announcements.

APPLICATION FOR EXTENSION OF REMEDIAL PERIOD

According to Rule 6.01A of the Listing Rules, the Stock Exchange may delist a listed issuer which fails to remedy the issues causing its suspension of trading and resume trading within 18 months from the date on which the trading suspension begins. The Company’s prescribed remedial period is expected to end on 30 September 2022. The Company has submitted an application to seek the Stock Exchange’s approval for extension of the remedial period.

UPDATE ON 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 dated 28 September 2022, the Investigation Committee had engaged Forensic Investigator to conduct Investigation and had produced a report of findings on such Investigation to the Company. Please refer to the announcement of the Company dated 28 September 2022 for further details in relation to the summary of the key findings of the Forensic Investigator, Investigation by and view of the Independent Investigation Committee, and recommendations from the Independent Investigation Committee.

Certain guarantees provided by a subsidiary of the Company

As disclosed in the announcement of the Company dated 9 May 2021, there are several guarantees provided by Xiangyang in favour of independent third parties lenders in support of borrowings concerning certain connected persons of the Company, namely, Jinfeng, Mr. Bao and his wife. Please refer to the announcement of the Company dated 28 September 2022 for further details in relation to the summary of the key findings of the Forensic Investigator, Investigation by and view of the Independent Investigation Committee, and recommendations from the Independent Investigation Committee.

Review of internal control

Please refer to the announcement of the Company dated 28 September 2022 for further details in relation to the main potential weaknesses or deficiencies identified by the Forensic Investigator in the Company's internal control systems, environment and processes in relation to management approval, record keeping and upward reporting and disclosure of the Loan Guarantees and Additional Loan Guarantees, together with the corresponding remedial action recommendations.

Publication of outstanding financial results

As disclosed in the announcements of the Company dated 30 March 2021, 16 April 2021, 9 May 2021, 3 September 2021, 31 March 2022 and 30 June 2022, the publication of the 2020 Annual Results and 2021 Annual Results have been delayed pending the outcome of the Forensic Investigation regarding the Issues.

As at the date of this announcement, the auditors of the Company, McMillan Woods (Hong Kong) CPA Limited, has commenced the audit work of the Group and the Company is preparing the 2020 Annual Results. The completion of the audit work for the 2020 Annual Results as a whole would be subject to the results of the Forensic Investigation. The preparation of the 2021 Interim Results, 2021 Annual Results and the 2022 Interim Results has already commenced, however, it is still subject to the finalized figures 2020 Annual Results as the opening balance figures as at 1 January 2021. The audit work is ongoing and the Company will closely monitor the progress and announce the proposed date of publication of the 2020 Annual Results, the 2021 Interim Results, the 2021 Annual Results and the 2022 Interim Results as and when appropriate.

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.

Coal mining business

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, as well as the damage done to the mine by the rainstorm and flooding in July 2021. As disclosed in the announcement dated 31 December 2021, Xiangyang Coal Mine was under maintenance and repairment, and as at the date of this announcement, due to the labour shortage under the persistent pandemic, Xiangyang Coal Mine is still under maintenance and repairment. The management of Xiangyang expects such maintenance and repairment works would complete in the first quarter of 2023 and by then Xiangyang Coal Mine should be able to resume its operation.

Building materials business

For the six months ended 30 June 2022, operation of the building materials business continues to operate normally. However, affected by the market performance of the real estate industry, demand for building material remained sluggish which affected the sales price and volume of the building materials.

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, the delay in publication of 2021 Annual Results, the delay in publication of 2022 Interim Results and the suspension of trading in the shares of the Company on the Stock Exchange.

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.

There is no guarantee that an extension of the remedial period would be granted to the Company, and 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, 3 October 2022

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.