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GOOD RESOURCES

GOOD RESOURCES HOLDINGS LIMITED

天成國際集團控股有限公司*

(incorporated in Bermuda with limited liability)

(Stock Code: 109)

DECISION OF THE LISTING COMMITTEE TO CANCEL THE LISTING OF THE COMPANY

This announcement is made by Good Resources Holdings Limited (the “**Company**”) pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities (the “**Listing Rules**”) 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 (Chapter 571 of the Laws of Hong Kong).

References are made to the announcements of the Company dated (i) 24 September 2020 in relation to, among others, the Loan Transactions; (ii) 30 September 2020, 26 February 2021, 30 September 2021 and 28 February 2022 in relation to, among others, the delay in publication of the 2020 Annual Results, the 2020/21 Interim Results, the 2021 Annual Results and the 2021/22 Interim Results; (iii) 28 October 2020, 7 January 2021, 9 April 2021, 3 June 2021 and 28 October 2021 in relation to the resumption guidance set by the Stock Exchange for the Company; (iv) 22 December 2020, 22 March 2021, 28 June 2021, 21 September 2021 and 22 December 2021 in relation to the quarterly update on status of resumption; (v) 24 March 2021 in relation to the Pledge Agreement; (vi) 3 May 2021 in relation to key findings of the Forensic Accounting Review; (vii) 13 September 2021 in relation to the update on the optical fibre leasing business in Myanmar; (viii) 23 September 2021 in relation to changes in the Board; (ix) 17 November 2021 in relation to the expected timeline in fulfilling the resumption guidance; (x) 22 March 2022 in relation to the update on the expected timeline in fulfilling the resumption guidance; and (xi) 11 April 2022 in relation to key findings of the second stage forensic review.

THE STOCK EXCHANGE’S NOTICE TO CANCEL THE LISTING OF THE COMPANY

On 14 April 2022, the Company received a letter (the “**Letter**”) from the Stock Exchange notifying the Company that the Listing Committee (the “**Committee**”) of the Stock Exchange decided to cancel the Company’s listing under Rule 6.01A of the Listing Rules (the “**Decision**”) with effect from 9:00 a.m. on 4 May 2022.

Reasons for the Decision

In arriving at the Decision, the Committee had considered the following:

1. Trading in the Company’s shares had been suspended since 23 September 2020. Under Rule 6.01A of the Listing Rules, the Exchange had the right to delist the Company if the Company failed to resume trading by 22 March 2022.
2. The Committee considered that by the resumption deadline and to date, the Company had failed to fulfil all of the resumption guidance. Factors that the Committee had considered included:

RG 1 (publish all outstanding financial results)

3. The Committee was not satisfied that the Company had met this RG 1 based on the following:
 - (a) To date, the Company had not published the annual results for FY2020 and the periodic financial results for subsequent periods.
 - (b) While the Company expected that the audit of the outstanding financial results could be completed by the second quarter of 2022, there was no comfort or assurance that this would be done particularly given that the audit was subject to the completion of the investigations, the Company’s remedial measures to be taken to address the investigation findings and the auditors’ assessment on whether the investigations and the remedial measures were sufficient to address any audit issues.
 - (c) In any case, there was no comfort or assurance that the audited results to be published would not be subject to any audit modifications or any such modifications would be addressed when these results were published or at all.

RG 2 (investigate the loans transactions), RG 6 (investigate the pledge contracts and the subscription and redemption of the wealth management products) and RG 7 (investigate to identify other material unauthorised financial assistance)

4. The Committee was not satisfied that these resumption guidances had been fulfilled based on the following:
 - (a) The Committee was unsatisfied that the Company has completed the investigations required under the resumption guidance, having considered the unresolved issues based on the findings of RSM's further investigation announced on 11 April 2022. The Committee noted that the Company was still considering whether to extend its investigation.
 - (b) It was also uncertain whether and when the Company would have taken adequate remedial actions to address the findings or any further issues identified.

RG 5 (internal control review)

5. The internal control review had yet to be completed and therefore, RG 5 was not addressed. It was uncertain whether the expected time for completing the internal control review by the second quarter of 2022 would be achievable.

RG 8 (management integrity) and 9 (management competence)

6. The Committee considered the Company had not sufficiently addressed the concern on RG 8 and RG 9, having regard that:
 - (a) There were investigation findings suggesting that Mr. Cheng Kin Ming (**Mr. Cheng**), the Company's controlling shareholder, was the actual controller and/or connected person of the borrowers. There was a concern on the integrity of Mr. Cheng who, as the controlling shareholder of the Company, could exert significant influence over the Company's management and operation.
 - (b) In addition, an existing executive director of the Company (Mr. Liu Bin) was also found to have held a managerial position in the borrowers' group.
 - (c) The Company was still considering whether to extend the investigation. In addition, the internal control review was still on-going. Therefore, it remained unclear whether any other existing directors and management personnel were involved in the unauthorised transactions and should be responsible for the internal control deficiencies.

RG 3 (compliance with Rule 13.24 of the Listing Rules)

7. The Company had not published its audited financial results since FY2020, there was insufficient information to assess the Company's operational and financial status and hence compliance with Rule 13.24 of the Listing Rules. In addition, there was concern that the Company might not comply with Rule 13.24 of the Listing Rules given that:
- (a) Shanghai Yongsheng Capital Lease Company Limited was the major operating subsidiary of the Company's financial service business. It was uncertain whether the discovery of the various irregular transactions would have any significant adverse impact on its business operation; and
 - (b) the Company submitted that additional time was required to demonstrate its compliance with Rule 13.24 of the Listing Rules as it had been in the negotiation with business partners to explore the business expansion plans. These expansion plans appeared to be preliminary without any concrete details.

RG 10 (appoint INED)

8. The Company had not filled up the vacancies of independent non-executive directors to comply with Rules 3.10(1), 3.10A, 3.21 and 3.25 of the Listing Rules and therefore RG 10 was not addressed.

RG 4 (inform all material information)

9. Fulfilment of this condition was to be assessed when the Company had met all the other resumption guidance. For the above reasons, the Committee was not satisfied that the Company had met RG 4.
10. In these circumstances, the Exchange was entitled to delist the Company under Rule 6.01A of the Listing Rules.

Request for time extension

11. As regards the Company's application for extending the resumption deadline to 22 November 2022, the Committee considered that the Company's situation did not fall under the "exception circumstances" under paragraph 19 of our Guidance Letter (GL95-18) for granting an extension of time given that it had not addressed any of the substantive issues underlying the resumption guidance as explained above.
12. The Company considered COVID-19 had an impact on its action to address to resumption guidance. Yet, the Committee did not consider that COVID-19 could justify granting a time extension to the Company because it had failed to establish that its failure to meet all the resumption guidance by the resumption deadline was caused directly by COVID-19, and not factors unrelated to COVID-19. In particular,
- (a) the Company did not provide the factual basis of how COVID-19 had actually delayed the progress of meeting the resumption guidance before the resumption deadline. It did not demonstrate to have a pre-existing plan with a concrete action plan (with a timetable) showing that but for COVID-19, it would have fulfilled all

resumption guidance by the resumption deadline. For example, the Company did not provide pre-existing plans which were in agreement with the auditor and RSM showing that but for COVID-19, it would have published all the outstanding results, finalised the investigations and the internal control review by the resumption deadline. Indeed, the details of their outstanding work remain unclear.

- (b) The failure to fulfil all the resumption guidance by the resumption deadline was due to the unaddressed substantive issues underlying the resumption guidance. In particular, as the investigations already commenced in around May and June 2021 well before the recent outbreak of COVID-19, the failure to complete investigations did not appear to be solely related to COVID-19. In addition, the suspicious transactions that had been identified in the investigation findings had called into question the management integrity and the adequacy of the internal control issues, both of which had remained unaddressed to date.

Under Chapter 2B, the Company has the right to have the Decision referred to the Listing Review Committee for review. Any request for review must be served on the Secretary of the Listing Review Committee within seven business days from the date of the Decision. Trading in the Company's shares will be suspended after the expiry of seven business days from the date of this decision, unless the Company applies for a review of the Decision.

The Company is still in the process of reviewing the Decision and is seeking advice from its advisers in respect of lodging a review request for the ruling be referred to the Listing Review Committee for review.

The last day of listing of the Company's shares will be on 3 May 2022 and the listing of its shares will be cancelled with effect from 9:00 a.m. on 4 May 2022.

Shareholders of the Company who have any queries about the implications of the Stock Exchange's notice to cancel the Company's listing are advised to obtain appropriate professional advice.

By order of the Board
Good Resources Holdings Limited
Chau On Ta Yuen
Chairman and Executive Director

Hong Kong, 26 April 2022

As at the date of this announcement, (i) the executive Directors are Mr. Chau On Ta Yuen, Mr. Chen Shi and Mr. Liu Bin; and (ii) the independent non-executive Director is Mr. Wong Hok Bun, Mario.

* *For identification purpose only*