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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)

**(I) DISCLOSEABLE TRANSACTION IN RELATION TO
THE ACQUISITION OF THE ENTIRE ISSUED SHARE CAPITAL OF
THE TARGET COMPANY AND ISSUE OF CONSIDERATION SHARES;
(II) THE ISSUE OF SUBSCRIPTION SHARES UNDER SPECIFIC MANDATE
AND
(III) CONNECTED TRANSACTION IN RELATION TO
THE ISSUE OF SUBSCRIPTION SHARES A TO
RETOP INTERNATIONAL INVESTMENT LIMITED**

Financial Adviser to the Company



**THE ACQUISITION OF THE ENTIRE ISSUED SHARE CAPITAL OF THE TARGET
COMPANY AND ISSUE OF CONSIDERATION SHARES**

The Board announces that on 13 October 2017 (after trading hours of the Stock Exchange), the Company and the Seller entered into the Acquisition Agreement, pursuant to which the Company has conditionally agreed to purchase and the Seller has conditionally agreed to sell the Sale Shares at the consideration of HK\$25,500,000, which shall be satisfied by the allotment and issue of 127,500,000 new Shares (i.e. Consideration Shares) at the Issue Price at the Acquisition Completion.

The Consideration Shares represent:

- (a) approximately 17.89% of the existing issued share capital of the Company as at the date of this announcement; and
- (b) approximately 12.26% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares and the Consideration Shares upon the Subscription Completion and the Acquisition Completion.

The Consideration Shares will be allotted and issued under the Specific Mandate to be sought from the Shareholders at the SGM.

ISSUE OF SUBSCRIPTION SHARES UNDER SPECIFIC MANDATE

- (I) The Board also announces that on 13 October 2017 (after trading hours of the Stock Exchange), the Company and Retop entered into the Subscription Agreement A, pursuant to which Retop has conditionally agreed to subscribe for and the Company has conditionally agreed to allot and issue 100,000,000 new Shares (i.e. Subscription Shares A) to Retop at the Issue Price.

The Subscription Shares A represent:

- (a) approximately 14.03% of the existing issued share capital of the Company as at the date of this announcement; and
- (b) approximately 9.61% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares and the Consideration Shares upon the Subscription Completion and the Acquisition Completion.

The Subscription Shares A will be allotted and issued under the Specific Mandate to be sought from the Independent Shareholders at the SGM.

- (II) The Board also announces that on 13 October 2017 (after trading hours of the Stock Exchange), the Company and Mr. Li entered into the Subscription Agreement B, pursuant to which Mr. Li has conditionally agreed to subscribe for and the Company has conditionally agreed to allot and issue 100,000,000 new Shares (i.e. Subscription Shares B) to Mr. Li at the Issue Price.

The Subscription Shares B represent:

- (a) approximately 14.03% of the existing issued share capital of the Company as at the date of this announcement; and
- (b) approximately 9.61% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares and the Consideration Shares upon the Subscription Completion and the Acquisition Completion.

The Subscription Shares B will be allotted and issued under the Specific Mandate to be sought from the Shareholders at the SGM.

The obligations of the Subscribers to subscribe for the Subscription Shares under the Subscription Agreements are conditional upon, among other things, the terms and conditions as set forth in the Subscription Agreements.

LISTING RULES IMPLICATIONS

As one or more of the relevant applicable percentage ratios calculated in accordance with the Listing Rules in respect of the Acquisition exceed 5% but less than 25%, the Acquisition constitutes a discloseable transaction on the part of the Company under Chapter 14 of the Listing Rules and is only subject to the reporting and announcement requirements. The Company will seek approval for, among other things, the Specific Mandate to issue the Consideration Shares from the Shareholders at the SGM.

Mr. Bao and his associate, Retop, are substantial Shareholders interested in an aggregate of approximately 19.94% of the entire issued share capital of the Company as at the date of this announcement and hence are connected persons of the Company under the Listing Rules. The entering into of the Subscription Agreement A constitutes a connected transaction of the Company and it is subject to the Independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

The Independent Board Committee comprising all of the independent non-executive Directors has been established to advise and provide recommendation to the Independent Shareholders on the Subscription Agreement A and the transaction contemplated thereunder and to advise the Independent Shareholders on how to vote. In this connection, the Company will appoint an Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders as to whether the Subscription Agreement A is fair and reasonable and is in the interests of the Company and the Shareholders as a whole, and to advise the Independent Shareholders on how to vote.

No Director is required to abstain from voting at the board meeting approving the Acquisition Agreement, the Subscription Agreements and the transactions contemplated thereunder.

SGM

The SGM will be convened for the purpose of, among other matters (if any), considering, and if thought fit, approving the allotment and issue of the Consideration Shares and the Subscriptions and the transactions contemplated thereunder. To the best knowledge, information and belief of the Directors having made all reasonable enquiries, no Shareholder has any material interest in the Acquisition Agreement and the Subscription Agreement B and is required to abstain from voting on the relevant resolutions to be proposed at the SGM to approve the allotment and issue of Consideration Shares and the Subscription Agreement B and the transactions contemplated thereunder. As Mr. Bao and his associate have a material interest in the Subscription Agreement A, Mr. Bao and his associate are required to abstain from voting on the relevant resolutions to approve the Subscription Agreement A and the transaction contemplated thereunder at the SGM.

GENERAL

A circular containing, among other things, (i) details of the Acquisition Agreement and the transactions contemplated thereunder (including the allotment and issue of the Consideration Shares) and other information relating to the Group and the Target Group as required to be disclosed under the Listing Rules; (ii) details of the Subscription Agreements and the transactions contemplated thereunder; (iii) the recommendation from the Independent Board Committee to the Independent Shareholders in relation to the Subscription Agreement A and the transaction contemplated thereunder; (iv) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders; and (v) a notice of the SGM, is expected to be despatched to the Shareholders on or before 3 November 2017.

WARNING

Acquisition Completion is subject to the fulfillment or waiver of the conditions precedent which are more particularly described in “The acquisition of the entire issued share capital of the Target Company – Conditions precedent”. There is no assurance that any of the conditions to the Acquisition Agreement will be fulfilled. Therefore, the Acquisition may or may not proceed.

Subscription Completion is subject to the fulfillment of the conditions precedent which are more particularly described in “Issue of Subscription Shares – Subscription Agreement A – Conditions precedent” and “Issue of Subscription Shares – Subscription Agreement B – Conditions precedent”. There is no assurance that any of the conditions to the Subscription Agreements will be fulfilled. Therefore, the Subscriptions may or may not proceed.

The Acquisition and the Subscriptions are inter-conditional upon each other. Shareholders and potential investors of the Company are reminded to exercise caution when dealing in the Shares.

INTRODUCTION

The Board announces that on 13 October 2017 (after trading hours of the Stock Exchange), the Company and the Seller entered into the Acquisition Agreement, pursuant to which the Company has conditionally agreed to purchase and the Seller has conditionally agreed to sell the Sale Shares at the consideration of HK\$25,500,000, which shall be satisfied by the allotment and issue of 127,500,000 new Shares (i.e. Consideration Shares) at the Issue Price at the Acquisition Completion.

The Consideration Shares represent:

- (a) approximately 17.89% of the existing issued share capital of the Company as at the date of this announcement; and
- (b) approximately 12.26% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares and Consideration Shares upon the Subscription Completion and the Acquisition Completion.

The Consideration Shares will be allotted and issued under the Specific Mandate to be sought from the Shareholders at the SGM.

The Board also announces that on 13 October 2017 (after trading hours of the Stock Exchange), the Company and Retop entered into the Subscription Agreement A, pursuant to which Retop has conditionally agreed to subscribe for and the Company has conditionally agreed to allot and issue 100,000,000 new Shares (i.e. Subscription Shares A) to Retop at the Issue Price.

The Subscription Shares A represent:

- (a) approximately 14.03% of the existing issued share capital of the Company as at the date of this announcement; and
- (b) approximately 9.61% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares and the Consideration Shares upon the Subscription Completion and the Acquisition Completion.

The Subscription Shares A will be allotted and issued under the Specific Mandate to be sought from the Independent Shareholders at the SGM.

The Board also announces that on 13 October 2017 (after trading hours of the Stock Exchange), the Company and Mr. Li entered into the Subscription Agreement B, pursuant to which Mr. Li has conditionally agreed to subscribe for and the Company has conditionally agreed to allot and issue 100,000,000 new Shares (i.e. Subscription Shares B) to Mr. Li at the Issue Price.

The Subscription Shares B represent:

- (a) approximately 14.03% of the existing issued share capital of the Company as at the date of this announcement; and
- (b) approximately 9.61% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares and the Consideration Shares upon the Subscription Completion and the Acquisition Completion.

The Subscription Shares B will be allotted and issued under the Specific Mandate to be sought from the Shareholders at the SGM.

THE ACQUISITION OF THE ENTIRE ISSUED SHARE CAPITAL OF THE TARGET COMPANY

Principal terms of the Acquisition Agreement are set out below:

- Date : 13 October 2017
- Parties : (1) the Company as purchaser; and
(2) the Seller as vendor.
- Subject matter : The Company has conditionally agreed to purchase and the Seller has conditionally agreed to sell the Sale Shares which represent the entire issued share capital of the Target Company.
- Acquisition Consideration : HK\$25,500,000, which shall be satisfied by the allotment and issue of the Consideration Shares to the Seller at the Issue Price at the Acquisition Completion.

The Acquisition Consideration was determined after arm's length negotiations between the parties after taking into account the Target Group's financial and operating performance including its latest financial position as shown in its management accounts as at 30 June 2017, and future prospects.

The Board considers that the Acquisition Consideration is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

- Conditions precedent : (a) no takeover implication or obligation having been triggered under the Takeovers Code by the Acquisition and/or transactions under the Subscription Agreements;
- (b) a resolution being passed at the SGM in compliance with the Listing Rules, the Bermuda Companies Act, its bye-laws and/or other relevant requirements to approve the grant of a specific mandate to the Board to issue the Consideration Shares;

- (c) the approval required for the allotment, issue of, listing of, and permission to deal in, the Consideration Shares having been granted by the Stock Exchange and which has not been revoked as at the Acquisition Completion;
- (d) the Company having conducted its due diligence exercise on the Target Group, its assets and other relevant matters, and being satisfied with the results at its absolute sole discretion;
- (e) a legal opinion having been issued by the qualified PRC legal advisers, in such form and substance to the satisfaction of the Company, in relation to the Acquisition;
- (f) the fulfilment of the conditions precedent under the Acquisition Agreement and the Subscription Agreements (except for the condition for the Acquisition Agreement to become unconditional) and the Acquisition Agreement and the Subscription Agreements not being terminated on or before the Acquisition Completion and the Subscription Completion;
- (g) the parties to the Acquisition Agreement having fully complied with all applicable law and regulations relating to the Acquisition and the Target Group having obtained all necessary approvals, consents, waivers, reporting and filing (if applicable) required for the transactions under the Acquisition Agreement (including but not limited to any consent, approval, permission, license or recognition required to be obtained from any third parties under any material contracts or financing contracts as a result of the change in the control of the Target Group or the transactions under the Acquisition Agreement) and having performed all necessary legal procedures;

- (h) no judicial or government authorities or regulatory bodies having made, promulgated or adopted any order, ruling, restriction or decision to restrain or prohibit the transactions contemplated under the Acquisition Agreement;
- (i) there has been no proceedings or action or claim which is filed or threatened by any third party at any judicial or government authorities in any jurisdictions or by any government authorities to restrict or prohibit the transaction contemplated under the Acquisition Agreement or declare the illegality of the transaction or seek significant compensation; and
- (j) all warranties, representations and undertakings made by the Seller under the Acquisition Agreement remaining true and accurate in all material respects as at the date of the Acquisition Agreement and up to the date of the Acquisition Completion and there having been no material misleading statements or material omissions.

The Company may waive any or all of the conditions precedent under paragraphs (d), (e) and (j).

- Acquisition Completion : Within three Business Days immediately after fulfilment (or waiver, as the case may be) of the conditions precedent or any other date mutually agreed by the parties.
- Guarantee : In consideration of the Company entering into the Acquisition Agreement, the Guarantor will, upon the Acquisition Completion, execute a Guarantee in favour of the Company, pursuant to which the Guarantor will unconditionally and irrevocably undertake with the Company that the Guarantor will procure the Seller to perform its obligations under the Acquisition Agreement and if the Seller fails to perform its obligations under the Acquisition Agreement, the Guarantor shall perform the obligations immediately when requested by the Company as if the Guarantor was the principal obligor.

ISSUE OF SUBSCRIPTION SHARES

Subscription Agreement A

Principal terms of the Subscription Agreement A are set out below:

- Date : 13 October 2017
- Parties : (1) the Company as issuer; and
(2) Retop as subscriber.
- Subject matter : Retop has conditionally agreed to subscribe for and the Company has conditionally agreed to allot and issue 100,000,000 new Shares (i.e. Subscription Shares A) to Retop at the Issue Price.
- Subscription consideration : HK\$20 million, which shall be payable at completion of the Subscription Agreement A by cash, cheque or bank transfer.

The terms of the Subscription Agreement A were determined after arm's length negotiations between the Company and Retop on normal commercial terms.

The Board considers that the terms of the Subscription Agreement A are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

- Conditions precedent : (a) no takeover implication or obligation having been triggered under the Takeovers Code by the Acquisition and/or transactions under the Subscription Agreements;
- (b) a resolution being passed at the SGM in compliance with the Listing Rules, the Bermuda Companies Act, its bye-laws and/or other relevant requirements to approve (i) the entering into of the Subscription Agreement A and the performance of the transactions under the Subscription Agreement A by the Company; and (ii) the grant of a specific mandate to the Board to issue the Subscription Shares A;

- (c) the approval required for the allotment, issue of, listing of, and permission to deal in, the Subscription Share A having been granted by the Stock Exchange and which has not been revoked prior to the completion of the transaction; and
- (d) the fulfilment of the conditions precedent under the Acquisition Agreement and the Subscription Agreements (except for the condition for the Subscription Agreement A to become unconditional) and the Acquisition Agreement and the Subscription Agreements not being terminated on or before the Acquisition Completion and the Subscription Completion.

Subscription completion : Within three Business Days immediately after fulfilment of the conditions precedent or any other date mutually agreed by the parties.

Subscription Agreement B

Principal terms of the Subscription Agreement B are set out below:

Date : 13 October 2017

Parties : (1) the Company as issuer; and
(2) Mr. Li as subscriber.

Subject matter : Mr. Li has conditionally agreed to subscribe for and the Company has conditionally agreed to allot and issue 100,000,000 new Shares (i.e. Subscription Shares B) to Mr. Li at the Issue Price.

Subscription consideration : HK\$20 million, which shall be payable at completion of the Subscription Agreement B by cash, cheque or bank transfer.

The terms of the Subscription Agreement B were determined after arm's length negotiations between the Company and Mr. Li on normal commercial terms.

The Board considers that the terms of the Subscription Agreement B are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

- Conditions precedent : (a) no takeover implication or obligation having been triggered under the Takeovers Code by the Acquisition and/or transactions under the Subscription Agreements;
- (b) a resolution being passed at the SGM in compliance with the Listing Rules, the Bermuda Companies Act, its bye-laws and/or other relevant requirements to approve (i) the entering into of the Subscription Agreement B and the performance of the transactions under the Subscription Agreement B by the Company; and (ii) the grant of a specific mandate to the Board to issue the Subscription Shares B;
- (c) the approval required for the allotment, issue of, listing of, and permission to deal in, the Subscription Share B having been granted by the Stock Exchange and which has not been revoked prior to the completion of the transaction; and
- (d) the fulfilment of the conditions precedent under the Acquisition Agreement and the Subscription Agreements (except for the condition for the Subscription Agreement B to become unconditional) and the Acquisition Agreement and the Subscription Agreements not being terminated on or before the Acquisition Completion and the Subscription Completion.
- Subscription completion : Within three Business Days immediately after fulfilment of the conditions precedent or any other date mutually agreed by the parties.

Subscription Shares A

The Subscription Shares A will be issued at the Issue Price, which was determined after arm's length negotiations between the Company and Retop with reference to the recent market prices of the Shares.

As at the date of this announcement, the Company has 712,673,692 Shares in issue. The Subscription Shares A represent:

- (a) approximately 14.03% of the existing issued share capital of the Company as at the date of this announcement; and
- (b) approximately 9.61% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares and the Consideration Shares upon the Subscription Completion and the Acquisition Completion.

The Subscription Shares A will be allotted and issued pursuant to a Specific Mandate to be sought by the Company at the SGM. The Subscription Shares A, when allotted and issued, will rank *pari passu* in all respects with the Shares in issue. An application will be made by the Company to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Subscription Shares A.

Subscription Shares B

The Subscription Shares B will be issued at the Issue Price, which was determined after arm's length negotiations between the Company and Mr. Li with reference to the recent market prices of the Shares.

As at the date of this announcement, the Company has 712,673,692 Shares in issue. The Subscription Shares B represent:

- (a) approximately 14.03% of the existing issued share capital of the Company as at the date of this announcement; and
- (b) approximately 9.61% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares and the Consideration Shares upon the Subscription Completion and the Acquisition Completion.

The Subscription Shares B will be allotted and issued pursuant to a Specific Mandate to be sought by the Company at the SGM. The Subscription Shares B, when allotted and issued, will rank *pari passu* in all respects with the Shares in issue. An application will be made by the Company to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Subscription Shares B.

Consideration Shares

The Consideration Shares will be issued at the Issue Price, which was determined after arm's length negotiations between the Company and the Seller with reference to the recent market prices of the Shares.

As at the date of this announcement, the Company has 712,673,692 Shares in issue. The Consideration Shares represent:

- (a) approximately 17.89% of the existing issued share capital of the Company as at the date of this announcement; and
- (b) approximately 12.26% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares and the Consideration Shares upon the Subscription Completion and the Acquisition Completion.

The Consideration Shares will be allotted and issued pursuant to a Specific Mandate to be sought by the Company at the SGM. The Consideration Shares, when allotted and issued, will rank *pari passu* in all respects with the Shares in issue. An application will be made by the Company to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Consideration Shares.

Issue Price

The Issue Price represents:

- (a) a premium of approximately 34.23% to the closing price of HK\$0.1490 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (b) a premium of approximately 32.10% to the average closing price HK\$0.1514 per Share as quoted on the Stock Exchange for the five consecutive trading days immediately prior to the Last Trading Day; and
- (c) a premium of approximately 29.28% to the average closing price HK\$0.1547 per Share as quoted on the Stock Exchange for the ten consecutive trading days immediately prior to the Last Trading Day.
- (d) a premium of approximately 130.44% over the consolidated net asset value of the Company of approximately HK\$0.09 per Share as at 30 June 2017 (based on the unaudited consolidated net asset value of the Company as at 30 June 2017 as set out in the Company's interim report for the six months ended 30 June 2017 and the number of issued Shares as at the date of this announcement).

The Directors consider that the Issue Price is fair and reasonable and is in the interests of the Company and the Shareholders as a whole.

EQUITY FUND RAISING BY THE COMPANY

Reference is made to the announcements of the Company dated 12 October 2016 and 30 November 2016, respectively. A fund raising activity, being the proposed issue of 141,000,000 new shares of the Company under the general mandate to certain selected employees, was lapsed and terminated due to the expiry of the long stop date without extension.

Apart from the above terminated fund raising activity, the Company did not carry out any equity fund raising activities in the 12-month period immediately before the date of this announcement.

CHANGES IN THE SHAREHOLDING STRUCTURE OF THE COMPANY

The following table illustrates the changes in shareholding structure of the Company immediately after the allotment and issue of the Subscription Shares and the Consideration Shares:

	As at the date of this announcement		Immediately after the allotment and issue of the Subscription Shares and Consideration Shares	
	No. of Shares	Approx. shareholding %	No. of Shares	Approx. shareholding %
Shareholders:				
Mr. Dong Cunling ("Mr. Dong") (Note 1)	540,000	0.08%	540,000	0.05%
Mr. Yang Hua ("Mr. Yang") (Note 1)	10,089,196	1.42%	10,089,196	0.97%
Mr. Bao and Retop (Note 2)	142,075,000	19.94%	242,075,000	23.27%
Mr. Li Yupeng (Note 3)	71,000,000	9.96%	71,000,000	6.83%
Mr. Kwong Ying Hou and Asia Mark Development Limited (Note 4)	49,380,000	6.93%	49,380,000	4.75%
Mr. Li	–	–	100,000,000	9.61%
Mr. Zhang and Seller	–	–	127,500,000	12.26%
Other public Shareholders	439,589,496	61.67%	439,589,496	42.26%
Total	<u>712,673,692</u>	<u>100.00%</u>	<u>1,040,173,692</u>	<u>100.00%</u>

- (1) Mr. Dong and Mr. Yang are the executive directors of the Company as at the date of this announcement.
- (2) As at the date of this announcement, Retop and Mr. Bao beneficially own 141,400,000 Shares and 675,000 Shares respectively. Retop is beneficially and wholly owned by Vestfoco International Investment Limited of which Mr. Bao is the sole beneficial owner. Accordingly, Vestfoco International Investment Limited and Mr. Bao are deemed to be interested in the shares of the Company held by Retop.
- (3) Mr. Li Yupeng is an independent shareholder who is not connected to the Company.
- (4) Asia Mark Development Limited is beneficially and wholly owned by Mr. Kwong Ying Hou. He is an independent shareholder who is not connected to the Company.

INFORMATION OF THE PARTIES

The Company

The Company is engaged in investment holding and the principal activity of its major subsidiaries are production and sale of coal and trading of purchased coal in the PRC.

The Seller

The Seller is a sole shareholder of the Target Company as at the date of this announcement. To the best knowledge, information and belief of the Directors having made all reasonable enquiries, each of the Seller and its ultimate beneficial owner is an Independent Third Party.

Mr. Bao

Mr. Bao and his associate, Retop, are substantial Shareholders interested in an aggregate of approximately 19.94% of the entire issued share capital of the Company as at the date of this announcement and hence a connected person of the Company.

Mr. Li

To the best knowledge, information and belief of the Directors having made all reasonable enquiries, Mr. Li is an Independent Third Party.

INFORMATION OF THE TARGET GROUP

The Target Company

The Target Company is a limited company incorporated in the British Virgin Islands. As at the date of this announcement, the Target Company is wholly-owned by the Seller and save for holding the entire issued share capital of Winkin, has not carried on any business and has no other assets since its incorporation.

Winkin

Winkin is a limited company incorporated in Hong Kong. Since its incorporation and as at the date of this announcement, save for holding the entire issued share capital of Rong Jian (Shenzhen), Winkin has not carried on any business and has no assets.

Rong Jian (Shenzhen)

Rong Jian (Shenzhen) is a limited company established in the PRC. Since its establishment and as at the date of this announcement, save for holding the entire issued share capital of Shen Zhi Rong, Rong Jian (Shenzhen) has not carried on any business and has no assets.

Shen Zhi Rong

Shen Zhi Rong is a limited company established in the PRC. Since its establishment and as at the date of this announcement, save for holding 51% equity interest of Henan Xingan, Shen Zhi Rong has not carried on any business and has no assets.

Henan Xingan

Henan Xingan is a limited company established in the PRC. Since its establishment and as at the date of this announcement, Henan Xingan is principally engaged in the manufacturing and sale of building materials at Xingyang City, Henan Province, the PRC. Building materials such as coal-powder-ash, gypsum plasterboards, autoclaved lightweight concrete building plank, autoclaved aerated concrete blocks and dry-mixed mortar are necessary in buildings construction and infrastructure. Its customers are mainly constructors and buildings developers located within Henan Province, the PRC.

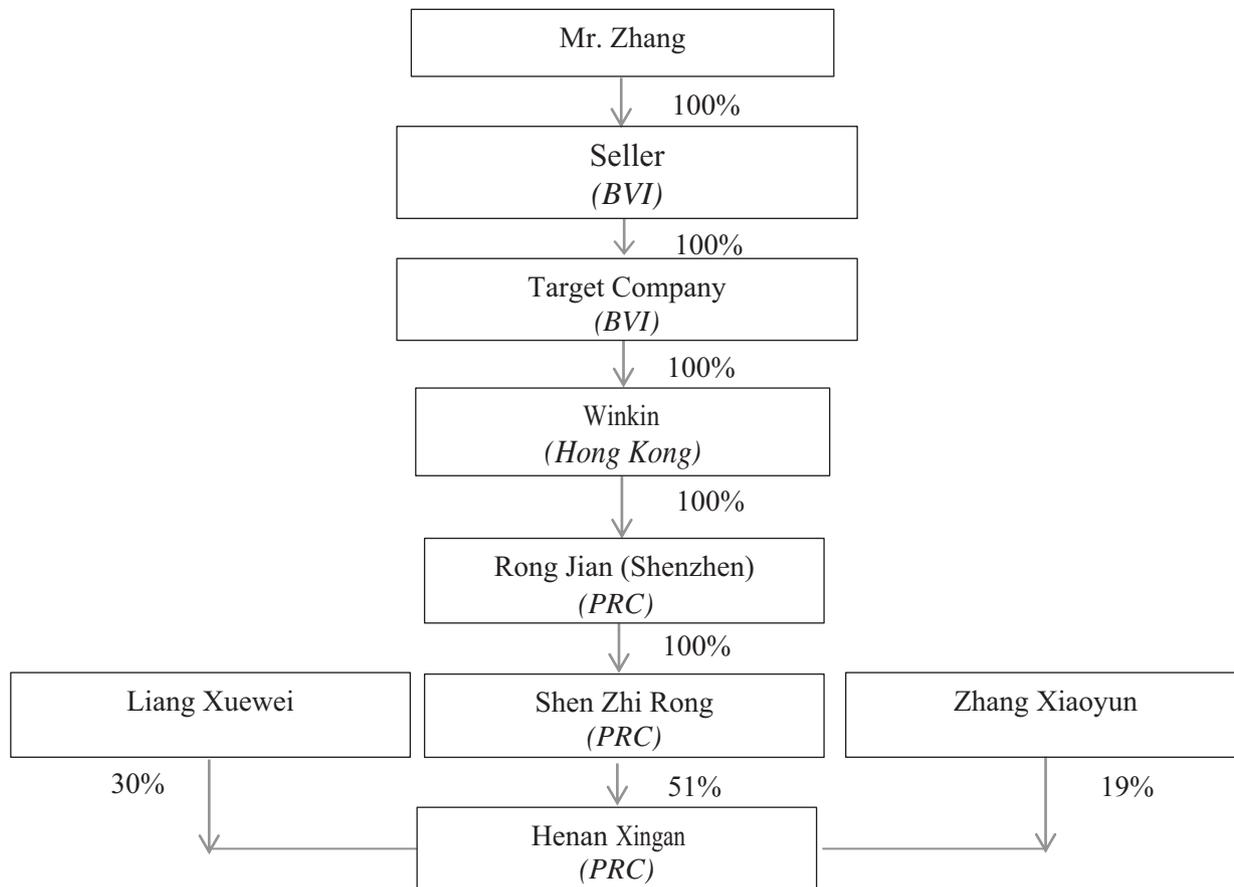
Financial Information

Set out below is a summary of certain unaudited financial information of the Target Group for the two years ended 31 December 2015 and 2016 prepared in accordance with Hong Kong Financial Reporting Standards:

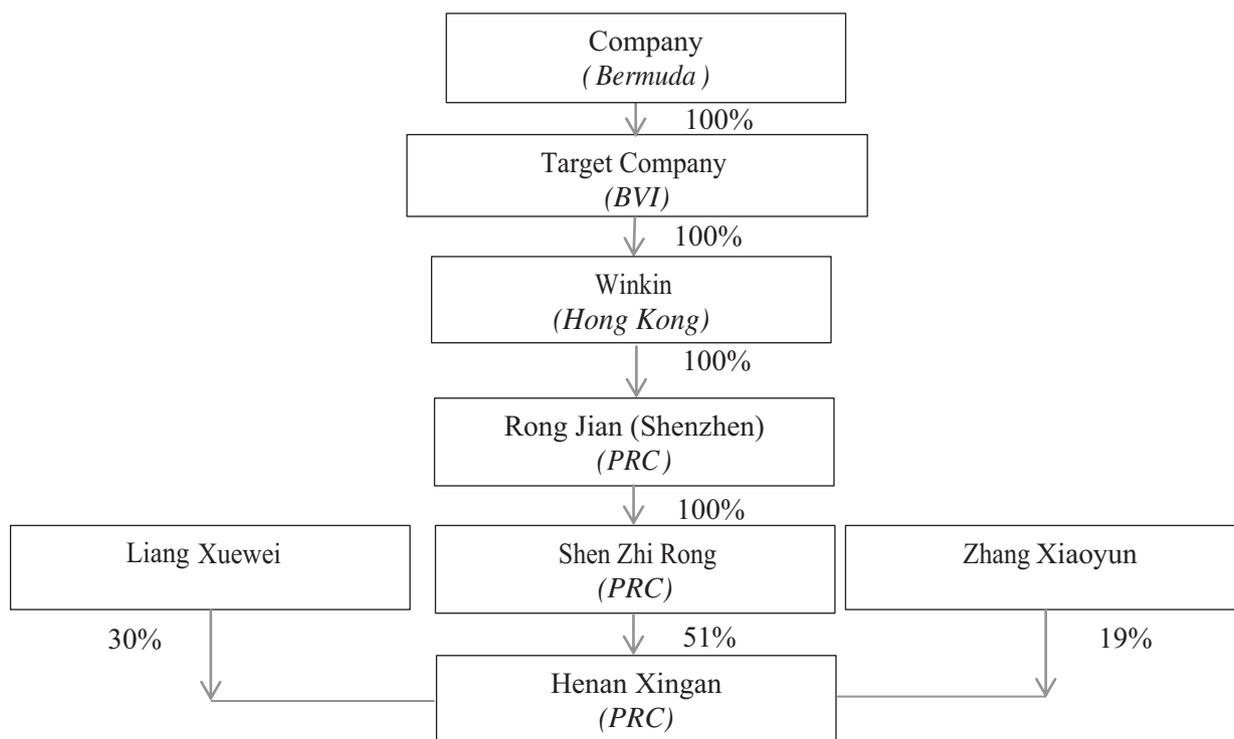
	For the year ended 31 December 2015	For the year ended 31 December 2016
	<i>RMB'000</i>	<i>RMB'000</i>
Turnover	92,882	100,891
Profit/(Loss) before taxation	(2,597)	14,441
Profit/(Loss) after taxation	(3,566)	11,927
Profit/(Loss) for the year	(3,566)	11,927
Total assets	250,791	251,531
Net assets	15,984	27,911

As at 30 June 2017, the unaudited total asset value and net asset value of the Target Group were approximately RMB244.13 million (equivalent to approximately HK\$289.37 million) and approximately RMB31.89 million (equivalent to approximately HK\$37.80 million).

Target Group's shareholding chart before Acquisition Completion:



Target Group's shareholding chart after Acquisition Completion:



FINANCIAL EFFECT OF THE ACQUISITION

Upon the Acquisition Completion, the Target Group will become subsidiaries of the Company and the results, assets and liabilities of the Target Group will be consolidated into the accounts of the Group.

REASONS FOR AND BENEFITS OF THE TRANSACTIONS

The reason for the Acquisition is that the Company can diversify its business segments to engage in the manufacturing and sale of building materials in the PRC.

According to the Ministry of Industry and Information Technology of the PRC, the added value of the building materials industry in the PRC increased by 6.7% in 2016. The production volume for cement and flat glass increased by 2.5% and 5.8% respectively, while the production volume for concrete, glass fiber, tempered glass, building ceramics and brick increased by more than 7%. Revenue for the building materials industry in the PRC also increased by 5.3% in 2016 according to the Ministry of Industry and Information Technology of the PRC.

According to the Bureau of Statistics of Henan Province, the investment in real estate development in Henan Province increased by 28.2% from RMB481.9 billion in 2015 to RMB617.9 billion in 2016.

The Company believes that the Acquisition allows the Group to explore a new income stream and improve the Group's turnover and results.

As mentioned in the Company's interim report for the six months ended 30 June 2017, revenue for the Group decreased by approximately 20.8% from approximately HK\$360.8 million for the six months ended 30 June 2016 to approximately HK\$285.9 million for the six months ended 30 June 2017, and the Group recorded a consolidated net loss of approximately HK\$41.8 million for the six months ended 30 June 2017.

The purpose of the Subscriptions is to raise fund for general working capital of the Company. As mentioned in the Company's interim report for the six months ended 30 June 2017, the Group was at net current liabilities position as at 30 June 2017. Net proceeds from the Subscriptions of approximately HK\$35.4 million are intended to be used for the general working capital of the Company to improve the financial position of the Group.

Considering the current financial position of the Group, the Directors are of the view that having the Acquisition and the Subscriptions inter-conditional upon each other is in the interest of the Company because the Group will have more flexibility to utilize the working capital raised from the Subscriptions for the existing coal related business and/or the business of the Target Group.

Accordingly, the Directors (including the independent non-executive Directors) consider that the terms of the Acquisition and the Subscriptions are fair and reasonable and the Acquisition and the Subscriptions are in the interests of the Company and its shareholders as a whole.

LISTING RULES IMPLICATIONS

As one or more of the relevant applicable percentage ratios calculated in accordance with the Listing Rules in respect of the Acquisition exceed 5% but less than 25%, the Acquisition constitutes a discloseable transaction on the part of the Company under Chapter 14 of the Listing Rules and is only subject to the reporting and announcement requirements. The Company will seek approval for, among other things, the Specific Mandate to issue the Consideration Shares from the Shareholders at the SGM.

Mr. Bao and his associate, Retop, are substantial Shareholders interested in an aggregate of approximately 19.94% of the entire issued share capital of the Company as at the date of this announcement and hence are connected persons of the Company under the Listing Rules. The entering into of the Subscription Agreement A constitutes a connected transaction of the Company and it is subject to the Independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

The Independent Board Committee comprising all of the independent non-executive Directors has been established to advise and provide recommendation to the Independent Shareholders on the Subscription Agreement A and the transaction contemplated thereunder and to advise the Independent Shareholders on how to vote. In this connection, the Company will appoint an Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders as to whether the Subscription Agreement A is fair and reasonable and is in the interests of the Company and the Shareholders as a whole, and to advise the Independent Shareholders on how to vote.

No Director is required to abstain from voting at the board meeting approving the Acquisition Agreement, the Subscription Agreements and the transactions contemplated thereunder.

SGM

The SGM will be convened for the purpose of, among other matters (if any), considering, and if thought fit, approving the allotment and issue of the Consideration Shares and the Subscriptions and the transactions contemplated thereunder. To the best knowledge, information and belief of the Directors having made all reasonable enquiries, no Shareholder has any material interest in the Acquisition Agreement and the Subscription Agreement B and is required to abstain from voting on the relevant resolutions to be proposed at the SGM to approve the Acquisition Agreement and the Subscription Agreement B and the transactions contemplated thereunder. As Mr. Bao and his associate have a material interest in the Subscription Agreement A, Mr. Bao and his associate are required to abstain from voting for the relevant resolutions to approve the Subscription Agreement A and the transaction contemplated thereunder at the SGM.

GENERAL

A circular containing, among other things, (i) details of the Acquisition Agreement and the transactions contemplated thereunder (including the allotment and issue of the Consideration Shares) and other information relating to the Group and the Target Group as required to be disclosed under the Listing Rules; (ii) details of the Subscription Agreements and the transactions contemplated thereunder; (iii) the recommendation from the Independent Board Committee to the Independent Shareholders in relation to the Subscription Agreement A and the transaction contemplated thereunder; (iv) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders; and (v) a notice of the SGM, is expected to be despatched to the Shareholders on or before 3 November 2017.

Acquisition Completion is subject to the fulfillment or waiver of the conditions precedent which are more particularly described in “The acquisition of the entire issued share capital of the Target Company – Conditions precedent”. There is no assurance that any of the conditions to the Acquisition Agreement will be fulfilled. Therefore, the Acquisition may or may not proceed.

Subscription Completion is subject to the fulfillment of the conditions precedent which are more particularly described in “Issue of Subscription Shares – Subscription Agreement A – Conditions precedent” and “Issue of Subscription Shares – Subscription Agreement B – Conditions precedent”. There is no assurance that any of the conditions to the Subscription Agreements will be fulfilled. Therefore, the Subscriptions may or may not proceed.

The Acquisition and the Subscriptions are inter-conditional upon each other. Shareholders and potential investors of the Company are reminded to exercise caution when dealing in the Shares.

DEFINITIONS

Unless the context otherwise requires, the following expressions shall have the meaning set out below:

“Acquisition” the acquisition of the entire issued share capital of the Target Company by the Company from the Seller pursuant to the Acquisition Agreement

“Acquisition Agreement” the acquisition agreement in relation to the entire issued share capital of the Target Company dated 13 October 2017 and entered into between the Company and the Seller as more particularly described in the section headed “The acquisition of the entire issued share capital of the Target Company” of this announcement

“Acquisition Completion”	the completion of the Acquisition Agreement in accordance with the terms of the Acquisition Agreement
“Acquisition Consideration”	HK\$25,500,000, being the consideration payable by the Company under the Acquisition Agreement
“associate(s)”	has the meaning ascribed to it in the Listing Rules
“Board”	the board of Directors
“Business Day(s)”	a day(s) (excluding Saturday, Sunday or any day on which a typhoon signal no. 8 or above or a black rainstorm signal is hoisted in Hong Kong between 9:00 a.m. and 12:00 p.m. and is not lowered or cancelled at 12:00 noon) on which licensed commercial banks in Hong Kong are open for general banking business for the public in Hong Kong
“BVI”	the British Virgin Islands
“Company”	Rosan Resources Holdings Limited (融信資源控股有限公司), a company incorporated in Bermuda with limited liability, whose Shares are listed on the main board of the Stock Exchange (stock code: 578)
“connected person”	has the meaning ascribed to it in the Listing Rules
“Consideration Shares”	127,500,000 new Shares to be allotted and issued to the Seller by the Company at the Issue Price to satisfy the Acquisition Consideration
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries from time to time
“Guarantee”	the deed of guarantee to be entered into between the Guarantor and the Company at the Acquisition Completion, the particulars of which are set out in the subsection headed “The acquisition of the entire issued share capital of the Target Company – Guarantee” of this announcement

“Guarantor”, “Mr. Zhang”	Mr. Zhang Xinzhi (張信志), the sole shareholder of the Seller as at the date of this announcement and the guarantor of certain obligations of the Seller arising out of the Acquisition
“Henan Xingan”	Henan Xingan New Construction Materials Company Limited* (河南興安新型建築材料有限公司), a limited company established in the PRC, a direct 51% owned subsidiary of Shen Zhi Rong
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	an independent committee of the Board (which comprises all the independent non-executive Directors) established to advise the Independent Shareholders with regard to the Subscription Agreement A and the transaction contemplated thereunder
“Independent Financial Adviser”	an independent financial adviser to be appointed for the purpose of advising the Independent Board Committee and the Independent Shareholders as to the Subscription Agreement A and the transaction contemplated thereunder
“Independent Third Party(ies)”	third party(ies) independent of and not connected with the Company and its connected persons and not otherwise a connected person of the Company
“Independent Shareholders”	the Shareholders who do not have any material interest in the Subscription Agreement A and the transaction contemplated thereunder
“Issue Price”	the issue price of HK\$0.2 per Subscription Share or per Consideration Share
“Last Trading Day”	13 October 2017, being the last trading day of the Shares on the Stock Exchange prior to the publication of this announcement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	28 February 2018 (or such other date as the relevant parties may agree)

“Mr. Bao”	Mr. Bao Hongkai (包洪凱), a substantial Shareholder of the Company
“Mr. Li”	Mr. Li Xiangfei (李翔飛), an Independent Third Party and the subscriber under the Subscription Agreement B
“PRC”	the People’s Republic of China, excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan for the purposes of this announcement
“Retop”	Retop International Investment Limited (瑞拓國際投資有限公司), a limited company incorporated in the British Virgin Islands and a directly wholly-owned subsidiary of Vestfoco International Investment Limited, and the subscriber under the Subscription Agreement A
“RMB”	Renminbi, the lawful currency of the PRC
“Rong Jian (Shenzhen)”	Rong Jian (Shenzhen) Consulting Company Limited* (榮建(深圳)諮詢有限公司), a limited company established in the PRC, an indirect wholly-owned subsidiary of the Target Company and a directly wholly-owned subsidiary of Winkin
“Sale Shares”	50,000 shares, representing the entire issued share capital of the Target Company
“Seller”	Minan Holding Limited, a limited company incorporated in the British Virgin Islands, the sole shareholder of the Target Company as at the date of this announcement and the vendor under the Acquisition Agreement
“SGM”	the special general meeting of the Company to be convened and held for considering and if thought fit, approving, among others, the allotment and issue of the Consideration Shares, the Subscription Agreements and the transactions contemplated thereunder
“Share(s)”	ordinary share(s) of HK\$0.1 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)

“Shen Zhi Rong”	Zhengzhou Shen Zhi Rong Construction Materials Company Limited* (鄭州深之榮建材有限公司), a limited company established in the PRC, an indirect wholly-owned subsidiary of the Target Company and a direct wholly-owned subsidiary of Rong Jian (Shenzhen)
“Specific Mandate”	a specific mandate to be sought from the Shareholders at the SGM for the allotment and issue of the Subscription Shares and the Consideration Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscribers”	collectively, Retop and Mr. Li
“Subscriptions”	collectively, subscription of Subscription Shares A under the Subscription Agreement A and Subscription Shares B under the Subscription Agreement B
“Subscription Agreement A”	the subscription agreement in relation to the subscription of the Subscription Shares A dated 13 October 2017 and entered into the Company and Retop
“Subscription Agreement B”	the subscription agreement in relation to the subscription of the Subscription Shares B dated 13 October 2017 and entered into the Company and Mr. Li
“Subscription Agreements”	collectively, the Subscription Agreement A and the Subscription Agreement B
“Subscription Completion”	collectively, the completion of the Subscription Agreement A and the Subscription Agreement B in accordance with the terms of the Subscription Agreement A and Subscription Agreement B, respectively
“Subscription Shares A”	100,000,000 new Shares to be allotted and issued to Retop by the Company pursuant to the Subscription Agreement A
“Subscription Shares B”	100,000,000 new Shares to be allotted and issued to Mr. Li by the Company pursuant to the Subscription Agreement B
“Subscription Shares”	collectively, the Subscription Shares A and the Subscription Shares B

“Takeovers Code”	Hong Kong Code on Takeovers and Mergers
“Target Company”	Goal Getter Ventures Limited (志達創投有限公司), a limited company incorporated in the British Virgin Islands and a direct wholly-owned subsidiary of the Seller
“Target Group”	collectively, the Target Company, Winkin, Rong Jian (Shenzhen), Shen Zhi Rong and Henan Xingan
“Winkin”	Winkin Construction Materials Company Limited (榮建建材有限公司), a limited company incorporated in Hong Kong and a direct wholly-owned subsidiary of the Target Company
“%”	per cent

In this announcement, for the purpose of illustration only, amounts quoted in RMB have been converted into HK\$ at the rate of RMB1.00 to HK\$1.1853, being the exchange rate of RMB against HK\$ as announced by the People’s Bank of China on the date of this announcement. Such exchange rate has been used, where applicable, for the purpose of illustration only and does not constitute a representation that any amounts were or may have been exchanged at this or any other rates or at all.

By order of the Board
Rosan Resources Holdings Limited
Dong Cunling
Chairman

Hong Kong, 13 October 2017

As at the date of this announcement, the executive directors of the Company are Mr. Chen Xu, Mr. Dong Cunling, Mr. Wu Jiahong, Mr. Yang Hua and Mr. Zhou Guangwen; the non-executive director of the Company is Mr. Li Chunyan; the independent non-executive directors of the Company are Mr. Jiang Xiaohui, Dr. Chen Renbao and Mr. Ma Yueyong.

* *For identification purpose only*